

# **Louisville Gas and Electric Company**

220 West Main Street  
Louisville, Kentucky

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PUBLIC SERVICE  
COMMISSION

Rates, Terms and Conditions for Furnishing

## **NATURAL GAS SERVICE**

In the sixteen counties of the Louisville, Kentucky, metropolitan area  
as depicted on territorial maps as filed with the

## **PUBLIC SERVICE COMMISSION OF KENTUCKY**

**Date of Issue**

**July 20, 2004**

**Date Effective**

**With Service Rendered  
On and After  
July 1, 2004**

**Issued by**

**Michael S. Beer, Vice President**

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)**

By




**Executive Director**

# Louisville Gas and Electric Company

Fourteenth Revision of Original Sheet No. 1  
P.S.C. of Ky. Gas No. 6

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General Counsel, and Corporate Secretary  
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SECTION 9 (1)

Issued By Authority of an Order of the K.P.S.C. in Case No. 2006-00138 dated April 19, 2006

# Louisville Gas and Electric Company

Tenth Revision of Original Sheet No. 5  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

RGS

### Residential Gas Service

#### APPLICABLE

In all territory served.

#### AVAILABILITY OF SERVICE

Available for residential customers.

#### RATE

Customer Charge: \$8.50 per delivery point per month

Charge Per 100 Cubic Feet:

Distribution Cost Component	.15470
Gas Supply Cost Component	.90189
Total Charge Per 100 Cubic Feet	\$1.05659

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 70, 70.1 and 70.2 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 72 through 72.8, is included as a component of the Gas Supply Clause as shown on Sheet No. 70 of this Tariff.

#### ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Weather Normalization Adjustment	Sheet No. 73
Franchise Fee and Local Tax	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
School Tax	Sheet No. 76
Home Energy Assistance Program	Sheet No. 77

#### MINIMUM CHARGE

The customer charge.

#### LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum charges when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided bill is paid within 15 days from date.

#### TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Date of Issue: April 27, 2006  
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Original Sheet No. 5  
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John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Date Effective: May 1, 2006

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Executive Director

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**STANDARD RATE SCHEDULE**

**VFD**

**Volunteer Fire Department Service**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. It is optional with the customer whether service will be provided under this schedule or any other schedule applicable to this load.

**DEFINITION**

To be eligible for this rate a volunteer fire department is defined as;

- 1) having at least 12 members and a chief,
- 2) having at least one fire fighting apparatus, and
- 3) more than half the members must be volunteer.

**RATE**

Customer Charge: \$8.50 per delivery point per month

Charge Per 100 Cubic Feet:

Distribution Cost Component	.15470
Gas Supply Cost Component	.90189
Total Charge Per 100 Cubic Feet	\$1.05659

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 70, 70.1 and 70.2 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 72 through 72.8, is included as a component of the Gas Supply Clause as shown on Sheet No. 70 of this Tariff.

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Weather Normalization Adjustment	Sheet No. 73
Franchise Fee and Local Tax	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
School Tax	Sheet No. 76


**LATE PAYMENT CHARGE**

The bill will be rendered at the above net charges (including net minimum charges when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided the bill is paid within 15 days from date.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto.

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Executive Director

# Louisville Gas and Electric Company

Ninth Revision of Original Sheet No. 10  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## CGS

### Firm Commercial Gas Service

#### APPLICABLE

In all territory served.

#### AVAILABILITY OF SERVICE

Available for commercial customers. As used herein, the term "commercial" applies to any activity engaged primarily in the sale of goods or services including institutions and local, state and federal governmental agencies for uses other than those involving manufacturing.

#### RATE

##### Customer Charge

If all of the customer's meters  
have a capacity < 5000 cf/hr:

\$ 16.50 per delivery point per month

If any of the customer's meters  
have a capacity ≥ 5000 cf/hr:

\$117.00 per delivery point per month

##### Charge Per 100 Cubic Feet

Distribution Cost Component

.14968

Gas Supply Cost Component

.90189

Total Charge Per 100 Cubic Feet

\$1.05157

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 70, 70.1 and 70.2 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 72 through 72.8, is included as a component of the Gas Supply Clause as shown on Sheet No. 70 of this Tariff.

##### Off-Peak Pricing Provision:

The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by 5.0¢ per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

#### ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism

Sheet No. 71

Weather Normalization Adjustment

Sheet No. 73

Franchise Fee and Local Tax

Sheet No. 74

Value Delivery Surcredit Rider

Sheet No. 75

School Tax

Sheet No. 76

#### MINIMUM CHARGE

The customer charge.

#### LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum charges when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided bill is paid within 15 days from date.

#### TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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John R. McCall, Executive Vice President,  
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Executive Director

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# Louisville Gas and Electric Company

Ninth Revision of Original Sheet No. 15  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE IGS Firm Industrial Gas Service

### APPLICABLE

In all territory served.

### AVAILABILITY OF SERVICE

Available for industrial customers. As used herein, the term "industrial" applies to any activity engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product.

### RATE

Customer Charge:

If all of the customer's meters  
have a capacity < 5000 cf/hr: \$16.50 per delivery point per month

If any of the customer's meters  
have a capacity ≥ 5000 cf/hr: \$117.00 per delivery point per month

Charge Per 100 Cubic Feet

Distribution Cost Component .14968

Gas Supply Cost Component .90189

Total Charge Per 100 Cubic Feet \$1.05157

The "Gas Supply Cost Component" as shown above is the cost per 100 cubic feet determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 70, 70.1 and 70.2 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 72 through 72.8, is included as a component of the Gas Supply Clause as shown on Sheet No. 70 of this Tariff.

### Off-Peak Pricing Provision:

The "Distribution Cost Component" applicable to monthly usage in excess of 100,000 cubic feet shall be reduced by 5.0¢ per 100 cubic feet during the seven off-peak billing periods of April through October. The first 100,000 cubic feet per month during such period shall be billed at the rate set forth above.

### ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Franchise Fee and Local Tax	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
School Tax	Sheet No. 76

### MINIMUM CHARGE

The customer charge.

### LATE PAYMENT CHARGE

The bill will be rendered at the above net charges (including net minimum charges when applicable) plus an amount equivalent to 5% thereof, which amount will be deducted provided bill is paid within 15 days from date.

### TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Date Effective: May 1, 2006

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SECTION 9 (1)

Executive Director

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## STANDARD RATE SCHEDULE AAGS As-Available Gas Service

### APPLICABLE

In all territory served.

### AVAILABILITY OF SERVICE

This rate schedule is designed to make available to commercial and industrial customers quantities of natural gas that Company may from time to time have available for sale without impairment of service to customers served under other higher priority rate schedules, and which can be supplied from Company's existing distribution system, subject to the special conditions hereinafter set forth.

This rate shall not be available for gas loads which are predominantly space heating in character. In order to ensure that this rate schedule shall not be available for loads which are predominantly space heating in character and which do not consume substantial quantities of gas throughout the year, customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual Delivery Point.

Customers served under Rate G-6 and Rate G-7 as of the first effective date of this Rate AAGS shall have the right to elect service under Rate AAGS, Rate CGS, or Rate IGS. Such Customers that elect to transfer from either Rate G-6 or Rate G-7 to service under Rate AAGS may do so without complying with the requirement set forth above that customers served hereunder shall be required to consume, when gas is available, at least 50 Mcf each day during each billing cycle at each individual Delivery Point. Customers not electing service under either Rate CGS or Rate IGS shall receive service hereunder upon the first effective date hereof, irrespective of the November 1 start-date set forth in "Contract-Term" below.

### COMPANY NOT OBLIGATED TO CONTINUE SERVICE

Company shall have the right to discontinue the supply of natural gas wholly or in part for such period or periods as, in the sole judgment of Company, may be necessary or advisable to enable it to supply the full gas requirements of its customers served under higher priority rate schedules. Nothing herein shall prevent Company from expanding its obligations under such other rate schedules. Company may decline to accept any additional contracts for service hereunder.

### CONTRACT TERM

Customers served under Rate AAGS shall enter a written contract with Company more fully described in the Special Terms and Conditions of this rate schedule. The minimum contract term for service hereunder shall be for a period of at least one (1) year and shall commence on November 1 and be effective through the following October 31, and year to year thereafter, unless terminated by either Company or Customer upon prior written notice on or before the April 30 preceding the October 31 termination date.

Any customer served under Rate CGS or Rate IGS shall provide notice to Company by April 30 of its request for service to be effective commencing on the following November 1.

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1, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004



# Louisville Gas and Electric Company

Ninth Revision of Original Sheet No. 20.1  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE AAGS As-Available Gas Service

### RATE

Customer Charge:  
\$150.00 per delivery point per month

Charge Per Mcf	
Distribution Cost Component	0.5252
Gas Supply Cost Component	9.0189
Total Charge Per Mcf	\$ 9.5441

The "Gas Supply Cost Component" as shown above is the cost per Mcf determined in accordance with the Gas Supply Clause set forth on Sheet Nos. 70, 70.1 and 70.2 of this Tariff. The Performance-Based Ratemaking Mechanism, set forth on Sheet Nos. 72 through 72.8, is included as a component of the Gas Supply Clause as shown on Sheet No. 70 of this Tariff.

### ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Franchise Fee and Local Tax	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
School Tax	Sheet No. 76

### PENALTY FOR FAILURE TO INTERRUPT

Company shall have the right to interrupt sales service under this rate schedule upon eighteen (18) hours' prior notice. Provision of oral notice by telephone to Customer shall be deemed proper notice of interruption of service under this rate schedule.

In addition to the charges set forth above, if the Customer fails to discontinue the consumption of natural gas at its facility at the conclusion of the eighteen- (18-) hour notice period, the Company may charge the Customer the following penalty for each Mcf used during the period of interruption in addition to any other remedy available to Company, including, but not limited to, immediate termination of service under this rate schedule, irrespective of the provisions set forth on "Contract Term", and immediate transfer by Company to either Rate CGS or Rate IGS, as applicable.

Customer shall be charged a per Mcf penalty charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion-South Point on the day to which such interruption of service is applicable, plus any other charges under this rate schedule for such unauthorized usage by Customer that occurs following the conclusion of the eighteen- (18-) hour notice of interruption by Company to Customer.

If Customer is delivering quantities of gas to Company pursuant to Rate TS during such period of interruption, the charge described in the immediately preceding paragraph shall be applicable only to those quantities used by customer in excess of those being delivered by Customer to Company.

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Issued By

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Date Effective: May 1, 2006

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2006-00138 dated April 19, 2006

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## STANDARD RATE SCHEDULE AAGS As-Available Gas Service

Company shall not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of this rate schedule. Payment of penalty charges hereunder shall not be considered an exclusive remedy for failure to comply with the notice of interruption, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

### SPECIAL TERMS AND CONDITIONS

1. Service shall be supplied hereunder only at such times and in such volumes as Company, in its sole judgment, determines that gas is available for such service without impairment of service supplied under other rate schedules.
2. Each customer served hereunder shall be required to enter into a written contract specifying, among other things, realistic monthly requirements for gas under this rate schedule. Such volumes shall be used as the basis for apportionment of gas when the total customer requirements exceed the quantity of gas available for service hereunder.
3. The customer shall contract under this rate schedule for a specified quantity of gas stated in terms of maximum required deliveries in Mcf per day. On no day shall the Company be obligated to supply gas in excess of such contract quantity. In no case will Company be obligated to supply gas to Customer at greater volumes and greater rates of flow than those historically delivered by Company to Customer.
4. Customer shall discontinue taking service upon applicable notice by Company to do so.
5. No gas service whatsoever to Customer's equipment or process served hereunder shall be supplied or permitted to be taken under any other of the Company's gas rate schedules during periods of interruption.
6. Upon commencement of service hereunder, Customer shall be required to certify that Customer's alternate fuel facilities are operational and alternate fuel is on site and capable of use. LG&E may, at its discretion, verify such certification through physical inspection of Customer's facility. In the event that Customer does not have alternate fuel facilities, Customer shall certify that the processes which utilize gas delivered hereunder are capable of complete discontinuance of natural gas use. LG&E may request Customer to verify either of the foregoing alternatives on an annual basis on or before October 1 of each year. Failure of Customer to annually certify either of the above alternatives shall result, in the sole discretion of Company, in immediate termination of service under this rate schedule and the immediate transfer to the appropriate firm sales rate schedule, either Rate CGS or Rate IGS.
7. Service hereunder must be supplied through a separate meter and physically isolated from any other service provided by Company under other rate schedules.
8. Company shall not be obligated to install or construct any facilities (other than necessary meters and regulators) in order to provide service hereunder.

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Michael S. Beer, Vice President  
Louisville, Kentucky

  
Executive Director

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**STANDARD RATE SCHEDULE      AAGS**  
**As-Available Gas Service**

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9. Any Customer contracting for service hereunder, other than a Customer transferring from either Rate G-6 or Rate G-7 as stipulated above, may be required, in the sole discretion of Company, either prior to electing service hereunder or at anytime thereafter, to have appropriate remote metering devices. The remote metering devices allow the Company to monitor the Customer's usage and determine compliance with notice of interruption of service hereunder. The Customer shall be responsible for the cost of the remote metering equipment and the cost of its installation.

Any Customer required to have remote metering as described above shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

Any Customer required to have remote metering shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering within thirty (30) days of Company's notice to Customer that such remote metering shall be required. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide such remote metering.

**LATE PAYMENT CHARGE**

The bill shall be rendered at the above net charges (including net minimum charges when applicable) plus an amount equivalent to 1% thereof, which amount shall be deducted provided the bill is paid within 15 days from date.

**TERMS AND CONDITIONS**

Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions hereof.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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Michael S. Beer, Vice President  
Louisville, Kentucky

  
Executive Director

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# Louisville Gas and Electric Company

Eighth Revision of Original Sheet No. 25  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

TS

### Gas Transportation Service/Standby

#### APPLICABLE

In all territory served.

#### AVAILABILITY OF SERVICE

Available to commercial and industrial customers served under Rate CGS and Rate IGS who consume either (a) an average of at least 50 Mcf each day during the billing cycle at each individual Delivery Point, or (b) 50,000 Mcf annually at each individual Delivery Point. Also available to customers served under Rate AAGS who consume at least 50 Mcf each day during the billing cycle at each individual Delivery Point. Customer shall have purchased natural gas elsewhere, and request Company to utilize its system to transport, by displacement, such customer-owned gas to place of utilization. Any transportation service hereunder will be conditioned on the Company being able to retain or secure adequate standby quantities of natural gas. In addition, transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

#### RATE

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, the following charges shall apply:

Administrative Charge: \$90.00 per Delivery Point per month

	<u>CGS</u>	<u>IGS</u>	<u>AAGS</u>
Distribution Charge Per Mcf	\$1.4968	\$1.4968	\$ .5252
Pipeline Supplier's Demand Component	.8839	.8839	.8839
Total	\$2.3807	\$2.3807	\$1.4091

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The "**Distribution Charge**" applicable to Rate CGS and IGS monthly quantities in excess of 100 Mcf shall be reduced by \$.50 per Mcf during the seven off-peak billing periods of April through October. The first 100 Mcf per month during such period shall be billed at the rate set forth above.

**Pipeline Supplier's Demand Component:** Average demand cost per Mcf of all gas, including transported gas, delivered to Company by its pipeline supplier as determined from Company's Gas Supply Clause.

#### ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism  
Franchise Fee and Local Tax  
Value Delivery Surcredit Rider  
School Tax

Sheet No. 71

Sheet No. 74

Sheet No. 75

Sheet No. 76

PUBLIC SERVICE COMMISSION  
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Louisville, Kentucky

Executive Director

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**STANDARD RATE SCHEDULE**

**TS**

**Gas Transportation Service/Standby**

**IMBALANCES**

Company will calculate on a monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into the Company's system. This will be calculated as follows:

$$\text{Imbalance} = \text{Metered Usage} - \text{Delivered Volumes}$$

The Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{(\text{Metered Usage} - \text{Delivered Volumes})}{\text{Delivered Volumes}}$$

**CASH-OUT PROVISION FOR POSITIVE MONTHLY IMBALANCES  
(STANDBY SERVICE)**

Company will provide standby quantities of natural gas hereunder for purposes of supplying Customers' requirements should Customer be unable to obtain sufficient transportation volumes. Such standby service will be provided at the same rates and under the same terms and conditions as those set forth in the Company's applicable rate schedule under which it sells gas to Customer.

**CASH-OUT PROVISION FOR NEGATIVE MONTHLY IMBALANCES**

If the monthly imbalance is negative (an over-delivery into the Company's system), Company shall purchase the monthly imbalance from customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lowest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the negative imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly negative imbalance percentage to be applied as follows:

When Total Net  
Negative Balance  
Percentage is:

0% to ≤5%  
>5% to ≤10%  
>10% to ≤15%  
>15% to ≤20%  
>20%

The following percentage shall  
be multiplied by the above referenced  
"Gas Daily" price for Dominion South Point:

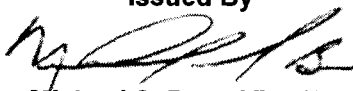
100%  
90%  
80%  
70%  
60%

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Louisville, Kentucky

  
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**STANDARD RATE SCHEDULE**

**TS**

**Gas Transportation Service/Standby**

The monthly imbalance percentages stated above will be used to calculate the cash-out price for negative imbalances that fall within each category. For example, a Customer with a negative monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**Variations in MMBtu Content:**

Changes in billings of the "cash-out" provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rider shall be performed under a written contract between Customer and Company setting forth specific arrangements as to volumes to be transported by Company for Customer, points of delivery, methods of metering, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.
2. At least ten days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. Customer shall give Company at least twenty-four hours' prior notice of any subsequent changes to scheduled deliveries.
3. In no case will Company be obligated to supply gas to Customer, including both gas sold to Customer and gas transported hereunder, at greater volumes and greater rates of flow than those historically purchased by Customer from Company.
4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the General Rules of this Tariff.
5. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to Company by its pipeline transporter.
6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any Customer hereunder when, in the Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
7. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will provide standby quantities of natural gas to Customer as set forth in Customer's standard rate schedule CGS, IGS, or AAGS. In the event of an interruption of sales service to a Customer served under Rate AAGS, as provided for in that rate schedule, Company shall continue to deliver quantities of customer-owned natural gas in amounts equal to such quantities being delivered by pipeline transporter for Customer. During such periods of interruption, a Customer served under Rate AAGS shall not take quantities of natural gas in excess of those being delivered to Company on Customer's behalf. If Customer takes natural gas in excess of such quantities, Customer shall be subject to penalties in accordance with Company's Curtailment Rules.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
JULY 20, 2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)**

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**Issued By**

**Date Effective: September 27, 2000  
July 20, 2004**

**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

**Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004**

# Louisville Gas and Electric Company

Original Sheet No. 25.3  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

TS

### Gas Transportation Service/Standby

#### TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto, to the extent that such Terms and Conditions are not in conflict with nor inconsistent with the specific provisions hereof.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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Louisville, Kentucky

  
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**STANDARD RATE SCHEDULE****FT****Firm Transportation Service (Non-Standby)****APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to commercial and industrial customers who consume at least 50 Mcf each day at each individual Delivery Point, have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Company's system through the system of Company's Pipeline Transporter, and have requested Company to utilize its system to transport, by displacement, such customer-owned gas to Customer's place of utilization. Customers electing to transfer from another service shall notify Company on or before April 30 of each year in order to begin receiving service hereunder beginning November 1 of that year. Any such transportation service hereunder shall be conditioned on the Company being granted a reduction in billing demands by its Pipeline Transporter corresponding to the Customer's applicable transportation quantities.

Transportation service hereunder will be subject to the terms and conditions herein set forth and to the availability of adequate capacity on Company's system to perform such service without detriment to its other customers.

**CHARACTER OF SERVICE**

Transportation service under this rate schedule shall be considered firm from the Receipt Point at Company's interconnection with its Pipeline Transporter ("Receipt Point") to the Delivery Point at the Customer's place of utilization ("Delivery Point"), subject to paragraph 6 of the Special Conditions.

The Company's sole obligation hereunder is to redeliver Customer's gas from the Receipt Point to the Delivery Point. Accordingly, Company has no obligation to deliver to the Customer a volume of gas, either daily or monthly, which differs from the volume delivered to the Company at the Receipt Point.

Company will provide service to meet imbalances only on an as-available basis. For purposes used herein, "Imbalances" are defined as the difference between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Point. When Company can provide such service, the Utilization Charge for Daily Imbalances shall apply to daily imbalances in excess of  $\pm 10\%$  of the delivered volume of gas as set forth herein. Company shall issue an Operational Flow Order as set forth herein during periods when service cannot be provided to meet daily imbalances.

**RATE**

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas, and any other charges set forth herein, the following charges shall apply.

Administration Charge: \$90.00 per Delivery Point per month

Distribution Charge Per Mcf: \$0.43

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Louisville, Kentucky

  
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**STANDARD RATE SCHEDULE**

**FT**

**Firm Transportation Service (Non-Standby)**

**ADJUSTMENT CLAUSES**

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Franchise Fee and Local Tax	Sheet No. 74
Value Delivery Surcredit Rider	Sheet No. 75
School Tax	Sheet No. 76

**LATE PAYMENT CHARGE**

The bill will be rendered at the above net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date.

**IMBALANCES**

Company will calculate on a daily and monthly basis the Customer's imbalance resulting from the difference between the metered usage of the Customer and the volumes that the Customer has delivered into the Company's system. This will be calculated as follows:

$$\text{Imbalance} = \text{Metered Usage} - \text{Delivered Volume}$$

The Company will also determine the imbalance percentage. This percentage will be calculated as follows:

$$\text{Imbalance \%} = \frac{(\text{Metered Usage} - \text{Delivered Volumes})}{\text{Delivered Volume}}$$

The term daily shall mean the period of twenty-four (24) consecutive hours beginning at 10:00 a.m., Eastern Clock Time.

**CASH-OUT PROVISION FOR MONTHLY IMBALANCES**

If the monthly imbalance is negative (an over-delivery into the Company's system), Company shall purchase the monthly imbalance from Customer at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the lowest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

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**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

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**STANDARD RATE SCHEDULE****FT****Firm Transportation Service (Non-Standby)**

When Total Net  
Negative Imbalance  
Percentage is:

0% to  $\leq 5\%$   
 $> 5\%$  to  $\leq 10\%$   
 $> 10\%$  to  $\leq 15\%$   
 $> 15\%$  to  $\leq 20\%$   
 $> 20\%$

The following percentage shall be  
multiplied by the above-referenced  
"Gas Daily" price for Dominion South Point:

100%  
 90%  
 80%  
 70%  
 60%

If the monthly imbalance is positive (an under-delivery into the Company's system), Customer shall be billed for the monthly imbalance from Company at a price per Mcf which is determined by multiplying the appropriate percentage specified below times the highest daily mid-point price posted in "Gas Daily" for Dominion South Point during the month in which the imbalance occurred. The appropriate percentage shall be dependent on the Customer's monthly imbalance percentage to be applied as follows:

When Total Net  
Positive Imbalance  
Percentage is:

0% to  $\leq 5\%$   
 $> 5\%$  to  $\leq 10\%$   
 $> 10\%$  to  $\leq 15\%$   
 $> 15\%$  to  $\leq 20\%$   
 $> 20\%$

The following percentage shall be  
multiplied by the above-referenced  
"Gas Daily" price for Dominion South Point:

100%  
 110%  
 120%  
 130%  
 140%

The monthly imbalance percentages stated above will be used to calculate the cash-out price for imbalances that fall within each category. For example, a Customer with a monthly imbalance percentage of 9% will cash-out at the 0% to 5% price for 5% of the imbalance and at the 5% to 10% price for 4% of the imbalance.

All such adjustments shall be shown and included on the Customer's monthly bill. The billing of these charges shall not be construed as a waiver by Company of any other rights or remedies it has under law, the regulations of the PSC of Kentucky, or this rate schedule, nor shall it be construed as an exclusive remedy for failure to comply with the provisions of this rate schedule.

**VARIATIONS IN MMBTU CONTENT**

Changes in billings of the "cash-out" provision caused by variations in the MMBtu content of the gas shall be corrected on the following bill.

**UTILIZATION CHARGE FOR DAILY IMBALANCES**

Should an imbalance exceed  $\pm 10\%$  of the delivered volume of gas on any day when an Operational Flow Order (as described below) has not been issued, then Company shall charge the Utilization Charge for Daily Imbalances times the recorded imbalance greater than  $\pm 10\%$  of the delivered volume of gas for each daily occurrence. The Utilization Charge for Daily Imbalances is the sum of the following:

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 Louisville, Kentucky

Executive Director

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 OF KENTUCKY  
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PURSUANT TO 807 KAR 5:011

SECTION 9.11

**STANDARD RATE SCHEDULE****FT****Firm Transportation Service (Non-Standby)**

Daily Demand Charge:	\$0.2131 per Mcf
Daily Storage Charge:	<u>0.1200</u>
Utilization Charge for Daily Imbalances:	\$0.3331 per Mcf

Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed  $\pm 10\%$  of the delivered volume. The Company shall not have an obligation to provide balancing service for any volumes of gas hereunder. The Utilization Charge for Daily Imbalances shall not apply to Reserved Balance Volumes contracted for under Standard Rider RBS Reserved Balancing Service.

**OPERATIONAL FLOW ORDERS**

Company shall have the right to issue an Operational Flow Order ("OFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system required to maintain system reliability. Customer shall be responsible for complying with the directives contained in the OFO.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (a) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (b) Customer must take delivery of an amount of natural gas from Company that is no less than the daily amount being delivered by the Pipeline Transporter to Company for Customer. Provision of oral notice by telephone to Customer shall be deemed as proper notice of an OFO. Customer shall respond to an OFO by either adjusting its deliveries to Company's system or its consumption at its facility.

All volumes taken by Customer in excess of volumes delivered by Pipeline Transporter to Company for Customer in violation of the above "condition (a)" OFO shall constitute an unauthorized receipt by Customer from Company. All volumes taken by Customer less than volumes delivered by Pipeline Transporter to Company for Customer in violation of "condition (b)" OFO shall constitute an unauthorized delivery by Customer to Company. Customer shall be charged a per Mcf charge equal to \$15.00 plus the mid-point price posted in "Gas Daily" for Dominion South Point on the day for which the OFO was violated, plus any other charges under this rate schedule for such unauthorized receipts or deliveries that occur twenty-four (24) hours after notice of the OFO is provided to the Customer or that fall outside the  $\pm 10$  percent imbalance tolerance regardless of the notice.

Company will not be required to provide service under this rate schedule for any Customer that does not comply with the terms or conditions of an OFO. Payment of charges hereunder shall not be considered an exclusive remedy for failure to comply with the OFO, nor shall the payment of such charges be considered a substitute for any other remedy available to Company.

Date of Issue: April 27, 2006  
Canceling Third Revision of  
Original Sheet No. 30.3  
Issued October 28, 2005

Issued By

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

**PUBLIC SERVICE COMMISSION**  
**KENTUCKY**  
**EFFECTIVE**  
**5/1/2006**  
**PURSUANT TO 807 KAR 5:011**  
**Date Effective: May 1, 2006**  
**SECTION 9 (1)**

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2006-00138 dated April 19, 2006

**STANDARD RATE SCHEDULE****FT****Firm Transportation Service (Non-Standby)****OPTIONAL SALES AND PURCHASE TRANSACTION**

Customer may agree to sell its natural gas supplies to Company, and Company may agree to purchase natural gas supplies from Customer under a written contract setting forth specific arrangements of the transaction. If Company purchases natural gas from Customer, such gas will not be redelivered to Customer, and Customer shall discontinue or otherwise interrupt the usage of such natural gas.

**RETURN TO FIRM SALES SERVICE**

Return to firm sales service is contingent upon the ability of Company to secure the appropriate quantities of gas supply and transportation capacity with the Company's Pipeline Transporter, as determined solely by the Company.

**REMOTE METERING**

Remote metering service shall be required as a prerequisite to the Customer obtaining service under this rate schedule. The remote metering devices will allow the Company to monitor the Customer's usage on a daily basis and bill the Customer.

The Customer shall be responsible for the cost of this remote metering equipment and the cost of its installation.

The Customer shall be responsible for making any necessary modifications to its facilities, including, but not limited to, any modifications of Customer's piping, in order to facilitate the installation and operation of such remote metering.

The Customer shall be responsible for providing the necessary and adequate electric and telephone service to provide this metering by October 1st of the year that the Customer's Rate FT service becomes effective. Electric and telephone services installed for this equipment shall conform to Company's specifications. The Customer shall be responsible for maintaining the necessary and adequate electric and telephone service to provide this metering.

**SPECIAL TERMS AND CONDITIONS**

1. Service under this rate schedule shall be performed under a written contract between Customer and Company setting forth specific arrangements as to the volumes to be transported by Company for Customer, Delivery Points, methods of metering, timing of receipts and deliveries of gas by Company, and any other matters relating to individual customer circumstances.
2. At least ten days prior to the beginning of each month, Customer shall provide Company with a schedule setting forth daily volumes of gas to be delivered into Company's system for Customer's account. Customer shall give Company at least twenty-four hours written notice of any subsequent changes to scheduled deliveries of natural gas flow. Company will not be obligated to utilize its underground storage capacity for purposes of this service.
3. In no case will Company be obligated to transport greater quantities hereunder than those specified in the written contract between Customer and Company.

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Issued By



Michael S. Beer, Vice President  
Louisville, Kentucky

PUBLIC SERVICE COMMISSION  
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Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**STANDARD RATE SCHEDULE**

**FT**

**Firm Transportation Service (Non-Standby)**

4. Volumes of gas transported hereunder will be determined in accordance with Company's measurement base as set forth in the General Rules of this Tariff.
5. All volumes of natural gas transported hereunder shall be of the same quality and meet the same specifications as that delivered to Company by its Pipeline Transporter.
6. Company will have the right to curtail or interrupt the transportation or delivery of gas to any customer hereunder when, in the Company's judgment, such curtailment is necessary to enable Company to respond to an emergency or force majeure condition.
7. Should Customer be unable to deliver sufficient volumes of transportation gas to Company's system, Company will not be obligated hereunder to provide standby quantities for purposes of supplying such Customer requirements.
8. Company shall not be required to render service under this rate schedule to any customer that fails to comply with any and all of the terms and conditions of this rate schedule.

**TERMS AND CONDITIONS**

Service under this rate is subject to Company's Terms and Conditions governing the supply of gas service as incorporated in this Tariff, to the extent that such Terms and Conditions are not in conflict with nor inconsistent with the specific provisions hereof.

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**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004**

**PURSUANT TO 807 KAR 5:011**

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**Michael S. Beer, Vice President  
Louisville, Kentucky**



**Executive Director**

**Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004**

**Special Charges**

The following charges will be applied uniformly throughout the Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to meet associated expenses.

**RETURNED PAYMENT CHARGE**

In those instances where a Customer renders payment to the Company which is not honored upon deposit by the Company, the Customer will be charged \$7.50 to cover the additional processing costs.

**METER TEST CHARGE**

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 18, and the results show the meter was not more than two percent fast, the Customer will be charged \$69.00 to cover the test and transportation costs.

**DISCONNECTING AND RECONNECTING SERVICE CHARGE**

A charge of \$20.00 will be made to cover disconnection and reconnection of gas service when discontinued for non-payment of bills or for violation of the Company's Terms and Conditions, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be \$20.00. No charge will be made for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection.

Customers under Gas Rates RGS, CGS and IGS may request and be granted a temporary suspension of gas service. In the event of such temporary suspension, Company will make a charge of \$20.00 to cover disconnection and reconnection of gas service, such charge to be made before reconnection is effected. If both gas and electric services are reconnected at the same time, the total charge for both services shall be \$20.00.

**INSPECTION CHARGE**

With respect to customer's service line and house line inspections prior to initiation or resumption of gas service, the Company will make two such inspections without charge. When more than two trips are necessary to complete the inspections at any one location, a charge of \$135.00 will be made for each additional trip.

**CHARGE FOR TEMPORARY AND SHORT TERM SERVICE**

The customer shall pay the cost of all material, labor and expense incurred by the Company in supplying gas service for any temporary or short term use, in addition to the regular rates for service without pro-rating of rate blocks or minimum charges for service of less than thirty days in a regular meter reading period.

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**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

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**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004**

**PURSUANT TO 807 KAR 5:011**

**SECTION 9.11**



**STANDARD RIDER**

**PS-TS**

**Pooling Service – Rate TS**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to "TS Pool Managers".

For the purpose of this rider a "TS Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rate TS to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

**RATE**

In addition to any charges billed directly to TS Pool Manager or Customer as a result of the application of Rate TS or this rider, the following charge shall apply:

PS-TS Pool Administration Charge: \$75 per customer in TS Pool per month

**CHARACTER OF SERVICE**

Service under this rider allows a TS Pool Manager to deliver to the Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more standby sales transportation customers that comprise a PS-TS Pool.

The TS Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customer(s) in the pool. The Cash-Out Provision of Rate TS shall be applied against the aggregate volume of all customers in a specific pool. The TS Pool Manager will be responsible for the payment of the PS-TS Pool Administration Charge and any Monthly Cash-Out payments incurred by a specific pool as a result of imbalances under Rate TS.

**TERMS AND CONDITIONS**

1. No customer shall participate in a TS Pool that does not individually meet the availability conditions of Rate TS, and no customer shall participate in more than one pool concurrently. Likewise, customers served under As Available Gas Service Rate AAGS cannot be in the same pool with customers served under other sales rates.
2. To receive service hereunder, the PS-TS Pool Manager shall enter into a PS-TS Pool Management Agreement with Company and shall submit a PS-TS Application/Agency Agreement for each member of the pool, signed by both Customer and its TS Pool Manager. The PS-TS Pool Management Agreement shall set forth the specific obligations of the TS Pool Manager and Company under this rider. The PS-TS Application/Agency Agreement shall set forth the members of the pool.

The TS Pool Manager shall submit a signed PS-TS Pool Management Agreement and a PS-TS Application/Agency Agreement for each member of the pool at least four weeks prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the TS Pool Manager of the date when service hereunder will commence. A customer who terminates service under this rider or who desires to change TS Pool Managers shall likewise provide Company with a written notice at least four weeks prior to the end of a billing period.

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**Michael S. Beer, Vice President  
Louisville, Kentucky**

  
**Executive Director**



**STANDARD RIDER****PS-TS****Pooling Service – Rate TS**

3. The TS Pool Manager shall upon request of Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure TS Pool Manager's performance of its obligations under the PS-TS Pool Management Agreement. In determining the level of the deposit, bond or other security to be required of a TS Pool Manager, Company shall consider such factors, including, but not limited to, the following: the volume of natural gas to be transported on behalf of PS-TS Pool members, the general credit worthiness of the TS Pool Manager, and the TS Pool Manager's prior credit record with the Company, if any. In the event that the TS Pool Manager defaults on its obligations under this rider or the PS-TS Pool Management Agreement, Company shall have the right to use such cash deposit, or the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy TS Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-TS Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.
4. The TS Pool Manager shall provide Company with the written consent, in the form of a PS-TS Application/Agency Agreement, of all members to any change in the composition of the pool membership at least four weeks prior to the beginning of the first billing period that would apply to the modified pool. With the consent of the current pool members, the TS Pool Manager may provide written consent in the form of a PS-TS Application/Agency Agreement on behalf of the current pool members to any change in the composition of the pool. Without exception, any new pool member must provide its own written consent in the form of a PS-TS Application/Agency Agreement.
5. The PS-TS Pool Management Agreement will be terminated by the Company upon four weeks written notice if a TS Pool Manager fails to meet any condition of this rider and/or Rate TS. The PS-TS Pool Management Agreement will also be terminated by the Company upon four weeks written notice if the TS Pool Manager has payments in arrears. Written notice of termination of the PS-TS Pool Management Agreement shall be provided both to the TS Pool Manager and to the individual members of the pool by the Company.
6. Company shall directly bill the TS Pool Manager for the PS-TS Pool Administration Charge, monthly cash-out charges or payments contained in Rate TS. The monthly bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date of bill. If payment is not made within 27 days from date of bill then the TS Pool Manager will be considered in default.
7. Company shall directly bill the individual customers in the pool for all Distribution Charges, Customer Charges, and Administrative Charges as provided for in either Rate TS or Customer's otherwise applicable sales rate schedule to which Rate TS is a Rider.

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**Michael S. Beer, Vice President**  
**Louisville, Kentucky****Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004****PUBLIC SERVICE COMMISSION  
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7/1/2004****PURSUANT TO 807 KAR 5-011  
Date Effective: November 1, 2000  
Revised: July 20, 2004**  
**Executive Director**

**STANDARD RIDER**

**PS-FT**

**Pooling Service – Rate FT**

**APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

Available to "FT Pool Managers".

For the purpose of this rider a "FT Pool Manager" is defined as an entity which has been appointed by a customer or group of customers served under Rate FT to perform the functions and responsibilities of requesting and receiving information, nominating supply, and other related duties.

**RATE**

In addition to any charges billed directly to FT Pool Manager or Customer as a result of the application of Rate FT or this rider, the following charge shall apply:

PS-FT Pool Administration Charge: \$75 per customer in FT Pool per month

**CHARACTER OF SERVICE**

Service under this rider allows an FT Pool Manager to deliver to the Company, on an aggregated basis, those natural gas supplies that are needed to satisfy the full requirements of one or more firm transportation customers that comprise a PS-FT Pool.

The FT Pool Manager will be responsible for arranging for volumes of transportation gas to meet the daily and monthly requirements of customer(s) in the pool. The Daily Utilization Charge, OFO Penalty and Cash-Out Provision of Rate FT shall be applied against the aggregate volume of all customers in a specific pool. The FT Pool Manager will be responsible for the payment of the PS-FT Pool Administration Charge and any Daily Utilization Charges, OFO penalties or Monthly Cash-Out payments incurred by a specific pool as a result of imbalances under Rate FT. For purposes of this rider the Daily Utilization Charge shall apply to daily imbalances that exceed  $\pm 5\%$ , instead of the  $\pm 10\%$  otherwise applicable in Rate FT. Company shall issue an Operational Flow Order as set forth in Rate FT to the FT Pool Manager during periods when service cannot be provided to meet daily imbalances.

**TERMS AND CONDITIONS**

1. No customer shall participate in an FT Pool that does not individually meet the availability conditions of Rate FT, and no customer shall participate in more than one pool concurrently. Unless a Customer meets the provisions of the Remote Metering requirement under Rate FT, that Customer shall not participate in a pool.
2. To receive service hereunder, the FT Pool Manager shall enter into a PS-FT Pool Management Agreement with Company and shall submit a PS-FT Application/Agency Agreement for each member of the pool, signed by both Customer and its Pool Manager. The PS-FT Pool Management Agreement shall set forth the specific obligations of the FT Pool Manager and Company under this rider. The PS-FT Application/Agency Agreement shall set forth the members of the pool.

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**Michael S. Beer, Vice President  
Louisville, Kentucky**



**Executive Director**

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**PURSUANT TO 807 KAR 5.011  
SECTION 9.0**

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**STANDARD RIDER**

**PS-FT**

**Pooling Service – Rate FT**

The FT Pool Manager shall submit a signed PS-FT Pool Management Agreement and a PS-FT Application/Agency Agreement for each member of the pool at least four weeks prior to the beginning of a billing period when service under this rider shall commence. Company shall notify the FT Pool Manager of the date when service hereunder will commence. A customer who terminates service under this rider or who desires to change FT Pool Managers shall likewise provide Company with a written notice at least four weeks prior to the end of a billing period.

3. The FT Pool Manager shall upon request of Company agree to maintain a cash deposit, a surety bond, an irrevocable letter of credit, or such other financial instrument satisfactory to Company in order to assure FT Pool Manager's performance of its obligations under the PS-FT Pool Management Agreement. In determining the level of the deposit, bond or other security to be required of an FT Pool Manager, Company shall consider such factors, but not limited to, the following: the volume of natural gas to be transported on behalf of PS-FT Pool members, the general credit worthiness of the FT Pool Manager, and the FT Pool Manager's prior credit record with the Company, if any. In the event that the FT Pool Manager defaults on its obligations under this rider or the PS-FT Pool Management Agreement, Company shall have the right to use such cash deposit, or the proceeds from such bond, irrevocable letter of credit, or other financial instrument to satisfy FT Pool Manager's obligation hereunder. Specific terms and conditions regarding credit requirements shall be included in the PS-FT Pool Management Agreement. Such credit requirements shall be administered by Company in a non-discriminatory manner.
4. The FT Pool Manager shall provide Company with the written consent, in the form of a PS-FT Application/Agency Agreement, of all members to any change in the composition of the pool membership at least four weeks prior to the beginning of the first billing period that would apply to the modified pool. With the consent of the current pool members, the FT Pool Manager may provide written consent in the form of a PS-FT Application/Agency Agreement on behalf of the current pool members to any change in the composition of the pool. Without exception, any new pool member must provide its own written consent in the form of a PS-FT Application/Agency Agreement.
5. The PS-FT Pool Management Agreement will be terminated by the Company upon four weeks written notice if an FT Pool Manager fails to meet any condition of this rider and/or Rate FT. The PS-FT Pool Management Agreement will also be terminated by the Company upon four weeks written notice if the FT Pool Manager has payments in arrears. Written notice of termination of the PS-FT Pool Management Agreement shall be provided both to the FT Pool Manager and to the individual members of the pool by the Company.
6. Company shall directly bill the FT Pool Manager for the PS-FT Pool Administration Charge, Utilization Charge for Daily Imbalances, monthly cash-out charges or payments, and unauthorized overrun charges under an OFO contained in Rate FT. The bill will be rendered at these net charges plus an amount equivalent to 1% thereof, which amount will be deducted provided bill is paid within 15 days from date of bill. If payment is not made within 27 days from date of bill, then the FT Pool Manager will be considered in default.
7. Company shall directly bill the individual customers in the pool for all Distribution Charges, Administrative Charges, and remote metering charges or payments provided for in Rate FT.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004**

**PURSUANT TO 807 KAR 5-011  
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**Date of Issue: July 20, 2004**

**Issued By**

  
**Michael S. Beer, Vice President  
Louisville, Kentucky**

  
**Executive Director**

**Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004**

# Louisville Gas and Electric Company

Original Sheet No. 52  
P.S.C. of Ky. Gas No. 6

## STANDARD RIDER

EF

### Excess Facilities

#### APPLICABILITY

In all territory served.

#### AVAILABILITY OF SERVICE

This rider is available for nonstandard service facilities which are considered to be in excess of the standard facilities that would normally be provided by the Company. This rider does not apply to main extensions or to other facilities which are necessary to provide basic gas service. The Company reserves the right to decline to provide service hereunder for any project (a) that exceeds \$100,000 or (b) where the Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term. Customers currently being served under the Excess Facilities Rider pursuant to Original Sheet No. 14-A and 14-B of LG&E's Tariff P.S.C. of Ky. Gas No. 5, shall continue to be served thereunder.

#### DEFINITION OF EXCESS FACILITIES

Excess facilities are equipment and devices which are installed in addition to or in substitution for the normal facilities required to render basic gas service. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

#### LEASED FACILITIES CHARGE

The customer shall pay for excess facilities through a contribution in aid of construction, which may take the form of a one-time payment or a Carrying Cost Charge based on the installed cost of the facilities.

#### Monthly Rates

Carrying Cost	Operating Expenses
0.94%	0.68%

The percentage rates are applied to the installed cost of the excess facilities

#### PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for gas service and will be subject to the same payment provisions.

#### TERM OF CONTRACT

The initial term of contract to the customer under this schedule shall be not less than 5 years. The term shall continue automatically until terminated by either party upon at least one month's written notice.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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On and After  
1, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

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# Louisville Gas and Electric Company

Fourth Revision of Original Sheet No. 53  
P.S.C. of Ky. Gas No. 6

## STANDARD RIDER

## RBS

### Reserved Balancing Service

#### APPLICABLE

In all territory served.

#### AVAILABILITY OF SERVICE

Available to customers served under the Firm Transportation Service (Non-Standby) Rate Schedule "Rate FT" or to FT Pool Managers served under Pooling Service-Rate FT.

Customers electing to transfer from a higher priority of sales service or standby service shall notify Company prior to April 30 of each year in order to begin receiving service hereunder November 1 of that year. At the time of notification, the Customer shall nominate a level of Reserved Balancing Service to balance any differences between the volume of gas delivered by the Customer to the Receipt Point and the volume of gas taken by Customer at the Delivery Receipt Point for the following 12 month period beginning November 1 through October 31. The nominated level of Reserved Balancing Service will be mutually agreed upon by both Company and Customer.

#### CHARACTER OF SERVICE

This service is used to balance the daily mismatches between the volumes delivered to Company's Receipt Point by Customer and the volumes utilized by the Customer at the Delivery Point. Customer shall contract for a volume of balancing service (in Mcf) to be provided by Company on any given day. This volume shall be the "Reserved Balance Volume" and will be defined in the Contract between Company and Customer.

#### RATE

In addition to any and all charges billed directly to Company by other parties related to the transportation of customer-owned gas and any other charges applicable under Rate FT, the following charges shall apply:

Applicable to the Reserved Balance Volume:

Monthly Demand Charges:	\$ 6.4800 per Mcf
Monthly Balancing Charges:	<u>3.6500</u>
Total:	\$10.1300 per Mcf

R

R

Note: The "Monthly Demand Charge" may change with each filing of the GSCC.

The Utilization Charge for Daily Imbalances contained in Rate FT will be applied to daily imbalances that exceed  $\pm 10\%$  of the delivered volume after being adjusted for the Reserved Balance Volume contracted for under this rider. The application of the Utilization Charge for Daily Imbalances will be determined by, first, taking the difference between the customer's metered usage and its delivered volumes stated as a positive number. Second, the sum of ten percent of the delivered volumes plus the Reserved Balance Volume is subtracted from the difference calculated above. If the result is a negative number, no Utilization Charge for Daily Imbalances will be applied. If the result is positive the Utilization Charge for Daily Imbalances will be applied to the positive value.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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Original Sheet No. 53  
Issued October 28, 2005

Issued By

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

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SECTION 9 (1)

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2006-00138 dated April 19, 2006



**STANDARD RIDER**

**RBS**

**Reserved Balancing Service**

Except as specifically provided for herein, all rates, terms and conditions of Rate FT shall apply, including but not limited to the DSM Cost Recovery and Cash-Out Provisions for Monthly Imbalances. The Monthly Imbalance and Monthly Imbalance percentage used in the Cash-Out Provision for monthly imbalances shall not be adjusted by the Reserved Balanced Volume contracted for hereunder.

PUBLIC SERVICE COMMISSION  
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Michael S. Beer, Vice President  
Louisville, Kentucky

  
Executive Director

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# Louisville Gas and Electric Company

Ninth Revision of Original Sheet No. 70  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## GSC

### Gas Supply Clause

#### APPLICABLE TO

All gas sold.

#### GAS SUPPLY COST COMPONENT (GSCC)

Gas Supply Cost	92.587¢	R
Gas Cost Actual Adjustment (GCAA)	(1.048)	R
Gas Cost Balance Adjustment (GCBA)	(2.094)	R
Refund Factors (RF) continuing for twelve months from the effective date of each or until Company has discharged its refund obligation thereunder:		
None Applicable		
Performance-Based Rate Recovery Component (PBRRC)	<u>0.744</u>	
Total Gas Supply Cost Component Per 100 Cubic Feet (GSCC)	90.189¢	R

Date of Issue: April 27, 2006  
Canceling Eighth Revision of  
Original Sheet No. 70  
Issued January 27, 2006

Issued By



John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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**STANDARD RATE SCHEDULE                      GSC  
Gas Supply Clause**

The bill amount computed under each of the rate schedules to which this Gas Supply Clause is applicable shall include a Gas Supply Cost Component per 100 cubic feet of consumption calculated for each three-month period in accordance with the following formula:

$$\text{GSCC} = \text{Gas Supply Cost} + \text{GCAA} + \text{GCBA} + \text{RF} + \text{PBRRC}$$

where:

Gas Supply Cost is the expected average cost per 100 cubic feet for each three-month period determined by dividing the sum of the monthly gas supply costs by the expected deliveries to customers. Monthly gas supply cost is composed of the following:

- (a) Expected total purchases at the filed rates of Company's wholesale supplier of natural gas, plus
- (b) Other gas purchases for system supply, minus
- (c) Portion of such purchase cost expected to be used for non-Gas Department purposes, minus
- (d) Portion of such purchase cost expected to be injected into underground storage, plus
- (e) Expected underground storage withdrawals at the average unit cost of working gas contained therein;

(GCAA) is the Gas Cost Actual Adjustment per 100 cubic feet which compensates for differences between the previous quarter's expected gas cost and the actual cost of gas during that quarter.

(GCBA) is the Gas Cost Balance Adjustment per 100 cubic feet which compensates for any under- or over-collections which have occurred as a result of prior adjustments.

(RF) is the sum of the Refund Factors set forth on Sheet No. 12 of this Tariff.

(PBRRC) is the amount per 100 cubic feet calculated pursuant to the Experimental Performance-Based Rate Mechanism contained in the Standard Rate Schedule PBR. The PBRRC is determined for each 12-month PBR period ended October 31.

Company shall file a revised Gas Supply Cost Component (GSCC) every three months giving effect to known changes in the wholesale cost of all gas purchases and the cost of gas deliveries from underground storage. Such filing shall be made at least thirty days prior to the beginning of each three-month period and shall include the following information:

- 1. A copy of the tariff rate of Company's wholesale gas supplier applicable to such three-month period.
- 2. A statement, through the most recent three-month period for which figures are available, setting out the accumulated costs recovered hereunder compared to actual gas supply costs recorded on the books.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

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# Louisville Gas and Electric Company

Original Sheet No. 70.2  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## GSC

### Gas Supply Clause

3. A statement setting forth the supporting calculations of the Gas Supply Cost and the Gas Cost Actual Adjustment (GCAA) and the Gas Cost Balance Adjustment (GCBA) applicable to such three-month period.

To allow for the effect of Company's cycle billing, each change in the GSCC shall be placed into effect with service rendered on and after the first day of each three-month period.

In the event that the Company receives from its supplier a refund of amounts paid to such supplier with respect to a prior period, the Company will make adjustments in the amounts charged to its customers under this provision, as follows:

1. The "Refundable Amount" shall be the amount received by the Company as a refund less any portion thereof applicable to gas purchased for electric energy production. Such Refundable Amount shall be divided by the number of hundred cubic feet of gas that company estimates it will sell to its customers during the twelve-month period which commences with implementation of the next Gas Supply Clause filing, thus determining a "Refund Factor."
2. Effective with the implementation of the next Gas Supply Clause filing, the Company will reduce, by the Refund Factor so determined, the Gas Supply Cost Component that would otherwise be applicable during the subsequent twelve-month period. Provided, however, that the period of reduced Gas Supply Cost Component will be adjusted, if necessary, in order to refund, as nearly as possible, the Refundable Amount.
3. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission of Kentucky for the right to depart from the refund procedure herein set forth.

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Issued By

  
Michael S. Beer, Vice President  
Louisville, Kentucky

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By   
Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**STANDARD RATE SCHEDULE**

**DSMRM**

**Demand-Side Management Cost Recovery Mechanism**

**APPLICABLE TO:**

Residential Gas Service Rate RGS, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As Available Gas Service Rate AAGS, Standby Gas Transportation Rate TS, and Firm Gas Transportation Rate FT. Any industrial customers who also receive electric service under Industrial Power Rate LP and Industrial Power Time-of-Day Rate LP-TOD and have elected not to participate in a demand-side management program hereunder shall not be assessed a charge pursuant to this mechanism.

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per 100 cubic feet (Ccf) of monthly gas consumption in accordance with the following formula:

$$\text{DSMRC} = \text{DCR} + \text{DRLS} + \text{DSMI} + \text{DBA}$$

Where: **DCR = DSM COST RECOVERY.** The DCR shall include all expected costs which have been approved by the Commission for each twelve-month period for demand-side management programs which have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DCR for such rate class.

**DRLS = DSM REVENUE FROM LOST SALES**

Revenues from lost sales due to DSM programs implemented on and after the effective date of this tariff and will be recovered as follows:

For each upcoming twelve-month period, the estimated reduction in customer usage (in Ccf) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder. Non-variable revenue requirement is defined as the weighted average price per Ccf represented by the composite of the expected Distribution Cost Component billings for the customer classes.

The lost revenues for each customer class shall then be divided by the estimated class sales (in Ccf) for the upcoming twelve-month period to determine the applicable DRLS surcharge.

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' 20, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

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**STANDARD RATE SCHEDULE**

**DSMRM**

**Demand-Side Management Cost Recovery Mechanism**

Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the DRLS for 36 months or until implementation of new rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DSM Balance Adjustment and (b) the prospective future lost revenues collected hereunder.

**DSMI = DSM INCENTIVE.** For all Energy Impact Programs except Direct Load Control, the DSM incentive amount shall be computed by multiplying the net resource savings expected from the approved programs which are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of LG&E's avoided costs over the expected life of the program, and will include both capacity and energy savings. For Energy Education and Direct Load Control Programs, the DSM incentive amount shall be computed by multiplying the annual cost of the approved programs which are to be installed during the upcoming twelve-month period times five (5) percent.

The DSM incentive amount shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DSMI. DSM incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

**DBA = DSM BALANCE ADJUSTMENT.** The DBA shall be calculated on a calendar year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI and previous application of the DBA and the revenues which should have been billed, as follows:

- (1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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Louisville, Kentucky

Executive Director

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**STANDARD RATE SCHEDULE**

**DSMRM**

**Demand-Side Management Cost Recovery Mechanism**

- (2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.
- (3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
- (4) The DBA, the balance adjustment amount will be determined by calculating the difference between the amount billed during the twelve-month period from application of the DBA unit charges and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(4) shall include interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period. The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the DBA for each rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes to which over- or under-recoveries of DSM amounts were realized.

The filing of modifications to the DSMRC which require changes in the DCR component shall be made at least two months prior to the beginning of the effective period for billing. Modifications to other components of the DSMRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

- (1) A detailed description of each DSM program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies which have been performed, as available.
- (2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA and DSMRC.

Each change in the DSMRC shall be placed into effect with bills rendered on and after the effective date of such change.

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/ 20, 2004**

**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

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SECTION 9 (1)**

# Louisville Gas and Electric Company

Fourth Revision of Original Sheet No. 71.3  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## DSMRM

### Demand-Side Management Cost Recovery Mechanism

**Applicable to:** Residential Gas Service Rate RGS, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As Available Gas Service Rate AAGS, Rate TS, and Rate FT.

As used herein, the term "commercial" applies to any activity engaged primarily in the sale of goods or services including institutions and local, state and federal governmental agencies for uses other than those involving manufacturing.

As used herein, the term "industrial" applies to any activity engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product.

#### DSM Cost Recovery Component (DSMRC):

##### Residential Customers Served Under Residential Rate RGS

##### Energy Charge

DSM Cost Recovery Component (DCR):	0.457 ¢/Ccf
DSM Revenues from Lost Sales (DRLS):	0.058 ¢/Ccf
DSM Incentive (DSMI):	0.024 ¢/Ccf
DSM Balance Adjustment (DBA):	0.324 ¢/Ccf
DSMRC Rate RGS:	0.863 ¢/Ccf

##### Commercial Customers Served Under Firm Commercial Gas Service Rate CGS, As Available Gas Service Rate AAGS, Rate TS, and Rate FT

DSM Cost Recovery Component (DCR):	0.007 ¢/Ccf
DSM Revenues from Lost Sales (DRLS):	0.002 ¢/Ccf
DSM Incentive (DSMI):	0.000 ¢/Ccf
DSM Balance Adjustment (DBA):	(0.005) ¢/Ccf
DSMRC Rate CGS:	0.004 ¢/Ccf

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Issued By

Date Effective: April 3, 2006

  
John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Executive Director

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SECTION 9 (1)



# Louisville Gas and Electric Company

Original Sheet No. 71.4  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## DSMRM

### Demand-Side Management Cost Recovery Mechanism

#### DSM Cost Recovery Component (DSMRC):

(Continued)

Industrial Customers Served Under Firm  
Industrial Gas Service Rate IGS, As Available  
Gas Service Rate AAGS, Rate TS, and Rate FT

#### Energy Charge

DSM Cost Recovery Component (DCR):	00.000 ¢/Ccf
DSM Revenues from Lost Sales (DRLS):	00.000 ¢/Ccf
DSM Incentive (DSMI):	00.000 ¢/Ccf
DSM Balance Adjustment (DBA):	00.000 ¢/Ccf
 DSMRC Rate IGS:	 00.000 ¢/Ccf

PUBLIC SERVICE COMMISSION  
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July 20, 2004

  
Michael S. Beer, Vice President  
Louisville, Kentucky

  
Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004



**STANDARD RATE SCHEDULE****PBR****Experimental Performance Based Rate Mechanism****APPLICABLE**

To all gas sold.

**RATE MECHANISM**

The monthly amount computed under each of the rate schedules to which this Performance Based Ratemaking Mechanism is applicable shall be increased or decreased by the Performance Based Rate Recovery Component (**PBRRC**) at a rate per 100 cubic feet (Ccf) of monthly gas consumption. Demand costs and commodity costs shall be accumulated separately and included in the Pipeline Supplier's Demand Component and the Gas Supply Cost Component of the Gas Supply Clause (GSC), respectively. The PBRRC shall be determined for each 12-month period ended October 31 during the effective term of this experimental performance based ratemaking mechanism, which 12-month period shall be defined as the PBR period.

The PBRRC shall be computed in accordance with the following formula:

$$\text{PBRRC} = \frac{\text{CSPBR} + \text{BA}}{\text{ES}}$$

Where:

**ES** = Expected Ccf sales, as reflected in the Company's GSC filing for the upcoming 12-month period beginning February 1.

**CSPBR** = Company Share of Performance Based Ratemaking Mechanism savings or expenses. The CSPBR shall be calculated as follows:

$$\text{CSPBR} = \text{TPBRR} \times \text{ACSP}$$

Where:

**TPBRR** = Total Performance Based Ratemaking Results. The TPBRR shall be savings or expenses created during the PBR Period. TPBRR shall be calculated as follows:

$$\text{TPBRR} = (\text{GAIF} + \text{TIF} + \text{OSSIF})$$

**GAIF**

**GAIF** = Gas Acquisition Index Factor. The GAIF shall be calculated by comparing the total annual Benchmark Gas Costs (**BGC**) for system supply natural gas purchases for the PBR period to the total annual Actual Gas Costs (**AGC**) for system supply natural gas purchases during the same period to determine if any Shared Expenses or Shared Savings exist.

The BGC shall include two benchmark components as follows:

$$\text{BGC} = \text{TABMGCC} + \text{HRF}$$

**PUBLIC SERVICE COMMISSION  
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*[Signature]*  
Michael S. Beer, Vice President  
Louisville, Kentucky

*[Signature]*  
Executive Director

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**STANDARD RATE SCHEDULE****PBR****Experimental Performance Based Rate Mechanism**

Where:

**TABMGCC** represents the Total Annual Benchmark Gas Commodity Costs and is the annual sum of the monthly Benchmark Gas Commodity Costs (**BMGCC**) of gas purchased for system supply; and

**HRF** represents Historical Reservation Fees and is an annual dollar amount equal to Company's average annual supply reservation fees based on the 24-month period ended October 31 immediately preceding the PBR period.

**BMGCC** represents Benchmark Gas Commodity Costs and shall be calculated on a monthly basis and accumulated for the PBR period. **BMGCC** shall be calculated as follows:

$$\text{BMGCC} = \text{Sum } \{[(\text{SZFQE}\%i \times (\text{APV} - \text{PEFDCQ})) \times \text{SAI}i] + [\text{PEFDCQ} \times \text{DAI}]\}$$

Where:

**SZFQE%** is the Supply Zone Firm Quantity Entitlement Percentage derived from Company's firm entitlements by pipeline and by zone for which indices are posted. The percentage represents the pro-rata portion of Company's firm lateral and mainline receipt point quantity entitlements by zone for each transportation contract by pipeline.

**i** represents each supply area.

**APV** is the actual purchased volumes of natural gas for system supply for the month. The APV shall include purchases necessary to cover retention volumes required by the pipeline as fuel.

**PEFDCQ** are the Purchases In Excess of Firm Daily Contract Quantities delivered to Company's city gate. Firm Daily Contract Quantities are the maximum daily contract quantities which Company can deliver to its city gate under its various firm transportation agreements and arrangements.

**SAI** is the Supply Area Index factor to be established for each supply area in which Company has firm transportation entitlements used to transport its natural gas purchases and for which price postings are available. The four supply areas are TGT-SL (Texas Gas Transmission - Zone SL), TGT-1 (Texas Gas Transmission -Zone 1), TGPL-0 (Tennessee Gas Pipeline - Zone 0), and TGPL-1 (Tennessee Gas Pipeline - Zone 1).

The monthly SAI for TGT-SL, TGT-1, TGPL-0 and TGPL-1 shall be calculated using the following formula:

$$\text{SAI} = [I(1) + I(2) + I(3)] / 3$$

**DAI** is the Delivery Area Index to be established for purchases made by Company when Company has fully utilized its pipeline quantity entitlements on a daily basis and which are for delivery to Company's city gate from either Texas Gas Transmission's Zone 4 or Tennessee Gas Pipeline's Zone 2.

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July 20, 2004

*[Signature]*  
Michael S. Beer, Vice President  
Louisville, Kentucky

*[Signature]*  
Executive Director

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**STANDARD RATE SCHEDULE PBR**  
**Experimental Performance Based Rate Mechanism**

The monthly DAI for TGT-4 and TGPL-2 shall be calculated using the following formula:

$$DAI = [I(1) + I(2) + I(3)] / 3$$

Where:

I represents each index reflective of both supply area prices and price changes throughout the month in these various supply areas.

The indices for each supply zone are as follows:

**SAI (TGT-SL)**

I(1) is the average of weekly *Natural Gas Week* postings for Gulf Coast Onshore Louisiana as Delivered to Pipeline.

I(2) is the average of the daily high and low *Gas Daily* postings for Louisiana - Onshore South Texas Gas Zone SL averaged for the month.

I(3) is the *Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas Zone SL.

**SAI (TGT-1)**

I(1) is the average of weekly *Natural Gas Week* postings for North Louisiana as Delivered to Pipeline.

I(2) is the average of the daily high and low *Gas Daily* postings for East Texas - North Louisiana Area - Texas Gas Entire Zone 1 averaged for the month.

I(3) is the *Inside FERC's Gas Market Report* first-of-the-month posting for Texas Gas Zone1.

**SAI (TGPL-0)**

I(1) is the average of weekly *Natural Gas Week* postings for Gulf Coast Onshore Texas as Delivered to Pipeline.

I(2) is the average of the daily high and low *Gas Daily* postings for South - Corpus Christi-Tennessee averaged for the month.

I(3) is the *Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee Zone 0.

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**STANDARD RATE SCHEDULE**

**PBR**

**Experimental Performance Based Rate Mechanism**

**SAI (TGPL-1)**

I(1) is the average of weekly *Natural Gas Week* postings for Gulf Coast Onshore Louisiana as Delivered to Pipeline.

I(2) is the average of the daily high and low *Gas Daily* postings for Louisiana - Onshore South - Tennessee 500 Leg averaged for the month.

I(3) is the *Inside FERC's - Gas Market Report* first-of-the-month posting for Tennessee Zone 1.

**DAI (TGT-4) and (TGPL-2)**

I(1) is the average of weekly *Natural Gas Week* postings for Spot Prices on Interstate Pipeline Systems for Dominion - South.

I(2) is the average of the daily high and low *Gas Daily* postings for the Daily Price Survey for Appalachia - Dominion South Point.

I(3) is the *Inside FERC's - Gas Market Report* first-of-the-month posting for Prices of Spot Gas Delivered to Pipeline for Dominion Transmission Inc. - Appalachia.

**AGC** represents Company's total annual Actual Gas Costs of natural gas purchased for system supply and is equal to the total monthly actual gas commodity costs and supply reservation fees plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments paid by Company to its suppliers accumulated for the PBR period. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

To the extent that AGC exceeds BGC for the PBR period, then the GAIF Shared Expenses shall be computed as follows:

$$\text{Shared Expenses} = \text{AGC} - \text{BGC}$$

To the extent that AGC is less than BGC for the PBR period, then the GAIF Shared Savings shall be computed as follows:

$$\text{Shared Savings} = \text{BGC} - \text{AGC}$$

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**STANDARD RATE SCHEDULE**

**PBR**

**Experimental Performance Based Rate Mechanism**

**TIF**

**TIF** = Transportation Index Factor. The Transportation Index Factor shall be calculated by comparing the Total Annual Benchmark Monthly Gas Transportation Costs (**TABMGTC**) of natural gas transportation services during the PBR period, to the Total Annual Actual Gas Transportation Costs (**TAAGTC**) applicable to the same period to determine if any Shared Expenses or Shared Savings exist.

The Total Annual Benchmark Monthly Gas Transportation Costs (**TABMGTC**) are calculated as follows:

$$\text{TABMGTC} = \text{Annual Sum of Monthly BMGTC}$$

Where:

**BMGTC** is the Benchmark Monthly Gas Transportation Costs which include both demand and volumetric costs associated with natural gas pipeline transportation services. The BMGTC shall be accumulated for the PBR period and shall be calculated as follows:

$$\text{BMGTC} = \text{Sum} [\text{BM(TGT)} + \text{BM(TGPL)} + \text{BM(PPL)}]$$

Where:

**BM(TGT)** is the benchmark associated with Texas Gas Transmission Corporation.

**BM(TGPL)** is the benchmark associated with Tennessee Gas Pipeline Company.

**BM(PPL)** is the benchmark associated with a proxy pipeline. The appropriate benchmark, which will be determined at the time of purchase, will be used to benchmark purchases of transportation capacity from non-traditional sources.

The benchmark associated with each pipeline shall be calculated as follows:

$$\text{BM(TGT)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

$$\text{BM(TGPL)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

$$\text{BM(PPL)} = (\text{TPDR} \times \text{DQ}) + (\text{TPCR} \times \text{AV}) + \text{S\&DB}$$

Where:

**TPDR** is the applicable Tariffed Pipeline Demand Rate.

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**STANDARD RATE SCHEDULE**

**PBR**

**Experimental Performance Based Rate Mechanism**

**DQ** is the Demand Quantities contracted for by Company from the applicable transportation provider.

**TPCR** is the applicable Tariffed Pipeline Commodity Rate.

**AV** is the Actual Volumes delivered at Company's city-gate by the applicable transportation provider for the month.

**S&DB** represents Surcharges, Direct Bills and other applicable amounts approved by the Federal Energy Regulatory Commission (FERC). Such amounts are limited to FERC-approved charges such as surcharges, direct bills, cashouts, take-or-pay amounts, Gas Supply Realignment and other Order 636 transition costs.

The Total Annual Actual Gas Transportation Costs (**TAAGTC**) paid by Company for the PBR period shall include both demand and volumetric costs associated with natural gas pipeline transportation services as well as all applicable FERC-approved surcharges, direct bills and cashouts included in S&DB, plus the gains and/or losses from the use of financial hedging instruments and the financial transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

To the extent that TAAGTC exceeds TABMGTC for the PBR period, then the TIF Shared Expenses shall be computed as follows:

$$\text{Shared Expenses} = \text{TAAGTC} - \text{TABMGTC}$$

To the extent that TAAGTC is less than TABMGTC for the PBR period, then the TIF Shared Savings shall be computed as follows:

$$\text{Shared Savings} = \text{TABMGTC} - \text{TAAGTC}$$

Should one of Company's pipeline transporters file a rate change effective during any PBR period and bill such proposed rates subject to refund, the period over which the benchmark comparison is made for the relevant transportation costs will be extended for one or more 12-month periods, until the FERC has approved final settled rates, which will be used as the appropriate benchmark. Company will not share in any of the savings or expenses related to the affected pipeline until final settled rates are approved.

**OSSIF**

**OSSIF** = Off-System Sales Index Factor. The Off-System Sales Index Factor shall be equal to the Net Revenue from Off-System Sales (**NR**).

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**STANDARD RATE SCHEDULE**

**PBR**

**Experimental Performance Based Rate Mechanism**

Net Revenue is calculated as follows:

$$NR = OSREV - OOPC$$

Where:

**OSREV** is the total revenue associated with off-system sales and storage service transactions.

**OOPC** is the out-of-pocket costs associated with off-system sales and storage service transactions, and shall be determined as follows:

$$OOPC = OOPC(GC) + OOPC(TC) + OOPC(SC) + OOPC(UGSC) + \text{Other Costs}$$

Where:

**OOPC(GC)** is the Out-of-Pocket Gas Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm supply contracts, the OOPC(GC) shall be the incremental cost to purchase the gas available under Company's firm supply contracts. For off-system sales not using Company's firm supply contracts, the OOPC(GC) shall be the incremental costs to purchase the gas from other entities.

**OOPC(TC)** is the Out-of-Pocket Transportation Costs associated with off-system sales transactions. For off-system sales utilizing Company's firm transportation agreements, the OOPC(TC) shall be the incremental cost to use the transportation available under Company's firm supply contracts. For off-system sales not using Company's firm transportation agreements, the OOPC(TC) shall be the incremental costs to purchase the transportation from other entities.

**OOPC(SC)** is the Out-of-Pocket Storage Costs associated with off-system sales of storage. If this is gas in Company's own storage it shall be priced at the average price of the gas in Company's storage during the month of the sale. If this is gas from the storage component of Texas Gas's No-Notice Service, this gas shall be priced at the replacement cost.

**OOPC(UGSC)** is the Out-of-Pocket Underground Storage Costs associated with off-system sales of storage services. For the off-systems sales of storage services utilizing Company's on-system storage, the OOPC(UGSC) shall include incremental storage losses, odorization, and other fuel-related costs such as purification, dehydration, and compression. Such costs shall exclude labor-related expenses.

**Other Costs** represent all other incremental costs and include, but are not limited to, costs such as applicable sales taxes and excise fees plus the gains and/or losses from the use of financial hedging instruments and the transaction costs associated with such instruments. Such costs shall exclude labor-related or other expenses typically classified as operating and maintenance expenses.

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**STANDARD RATE SCHEDULE**

**PBR**

**Experimental Performance Based Rate Mechanism**

**ACSP**

**ACSP** = Applicable Company Sharing Percentage. The ACSP shall be determined based on the PTAGSC.

Where:

**PTAGSC** = Percentage of Total Actual Gas Supply Costs. The PTAGSC shall be the TPBRR stated as a Percentage of Total Actual Gas Supply Costs and shall be calculated as follows:

$$\text{PTAGSC} = \frac{\text{TPBRR}}{\text{TAGSC}}$$

Where:

**TAGSC** = Total Actual Gas Supply Costs. The TAGSC shall be calculated as follows:

$$\text{TAGSC} = \text{AGC} + \text{TAAGTC}$$

If the absolute value of the PTAGSC is less than or equal to 4.5%, then the ACSP of 25% shall be applied to TPBRR to determine CSPBR. If the absolute value of the PTAGSC is greater than 4.5%, then the ACSP of 25% shall be applied to the amount of TPBRR that is equal to 4.5% of TAGSC to determine a portion of CSPBR, and the ACSP of 50% shall be applied to the amount of TPBRR that is in excess of 4.5% of TAGSC to determine a portion of CSPBR. These two portions are added together to produce the total CSPBR.

**BA**

**BA** = Balance Adjustment. The BA is used to reconcile the difference between the amount of revenues billed or credited through the CSPBR and previous application of the BA and revenues which should have been billed or credited, as follows:

- 1) For the CSPBR, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the CSPBR and the actual amount used to establish the CSPBR for the period.
- 2) For the BA, the balance adjustment amount will be the difference between the amount billed in a 12-month period from the application of the BA and the actual amount used to establish the BA for the period.

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Louisville, Kentucky

By  Executive Director

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# Louisville Gas and Electric Company

First Revision of Original Sheet No. 72.8  
P.S.C. of Ky. Gas No. 6

## STANDARD RATE SCHEDULE

## PBR

### Experimental Performance Based Rate Mechanism

#### Review

Within 60 days of the end of the fourth year of the five-year extension, the Company will file an assessment and review of the PBR mechanism for the first four years of the five-year extension period. In that report and assessment, the Company will make any recommended modifications to the PBR mechanism.


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John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

  
Executive Director

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**STANDARD RIDER**

**WNA**

**Weather Normalization Adjustment Clause Applicable to Rates RGS and CGS**

**WEATHER NORMALIZATION ADJUSTMENT (WNA)**

The sales to Residential and Commercial Customers under Rate Schedules RGS and CGS shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

**Determination of WNA**

Weather normalized volumes shall be utilized during the November through April billing periods to calculate the non-gas portion of the bills of all heating Customers served under Rate Schedules RGS and CGS. During the remainder of the year, May through October, the bills shall be computed based on actual consumption.

Weather Normalization Adjustment will be calculated using the following formula:

$$\text{WNA} = [(\text{Actual Mcf} - \text{Base Load Mcf}) * (\text{Normal Degree Days}/\text{Actual Degree Days})]$$

Each Customer's base load will be determined individually, and will be recomputed annually. Rates used in the computation of the WNA shall be determined based on the applicable base rate charge as set forth on the RGS and CGS Rate Schedules.

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**STANDARD RIDER**

**Franchise Fee and Local Tax**

**APPLICABILITY**

All gas rate schedules.

**MONTHLY CHARGE**

A surcharge shall be calculated and added to the total bill for gas service for all customers located within local governmental jurisdictions which impose municipal franchise fees or other local taxes on the Company by ordinance, franchise, or otherwise. Such fees or taxes shall be net of any corresponding fees or taxes which are currently included in the base charges of each rate schedule.

The amount calculated shall be applied exclusively to the bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. The fee or tax shall be added to the customer's bill as a separate item. Where more than one such fee or tax is imposed, each of the fees or taxes applicable to each customer shall be added to the bills as separately identified items.

Customers receiving service in the following local jurisdictions shall pay the applicable franchise fee or local tax based on the following effective rates:

<u>Municipality or Political Subdivision</u>	<u>Franchise Fee or Local Tax Rate</u>
City of Radcliff, Kentucky	3% of Gross Receipts
City of Muldraugh, Kentucky	3% of Gross Receipts
City of West Point, Kentucky	3% of Gross Receipt

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**Michael S. Beer, Vice President  
Louisville, Kentucky**

**Executive Director**

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**VDSR****Value Delivery Surcredit Rider****APPLICABLE**

In all territory served.

**AVAILABILITY OF SERVICE**

To all gas rate schedules.

**RATE**

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall be adjusted by the Value Delivery Surcredit Factor, which shall be calculated in accordance with the following formula:

$$\text{Value Delivery Surcredit Factor} = \text{VDS} + \text{BA}$$

**Where:**

**(VDS)** is the Value Delivery Surcredit which is based on the total Company net savings that are to be distributed to the Company's customers in each 12-month period.

	Net Savings To be Distributed	Value Delivery Surcredit (VDS)
Year 1, Dec 1, 2001 to Dec 31, 2001	\$ 120,000	0.27%
Year 2, Jan 1, 2002 to Dec 31, 2002	\$ 320,000	0.12%
Year 3, Jan 1, 2003 to Dec 31, 2003	\$1,240,000	0.54%
Year 4, Jan 1, 2004 to Dec 31, 2004	\$1,520,000	0.65%
Year 5, Jan 1, 2005 to Dec 31, 2005	\$1,800,000	0.72%
Succeeding Annual Periods beginning Jan 1, 2006	\$1,760,000	0.43%

**(BA)** is the Balancing Adjustment for the second through the twelfth months of the current distribution year which reconciles any over- or under-distribution of the net savings from prior periods. The Balancing Adjustment will be determined by dividing the differences between amounts which were expected to be distributed and the amounts actually distributed from the application of the Value Delivery Surcredit Factor from the previous year by the expected retail gas revenues. A final Balancing Adjustment will be applied to customer billings in the second month following the termination of the Value Delivery Surcredit.

**TERMS OF DISTRIBUTION**

- (1) The total distribution to Company's customers will, in no case, be less than the sum of the amounts shown above for Year 1 through Year 5, plus one-twelfth of the amount shown for Succeeding Annual Periods for each month the Value Delivery Surcredit is effective beginning January 1, 2006.

**PUBLIC SERVICE COMMISSION  
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On and After  
April 1, 2006

John R. McCall, Executive Vice President  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

Issued By Authority of an Order of the KPSC in Case No. 2005-00352 dated March 24, 2006



**VDSR**

**Value Delivery Surcredit Rider**

- (2) On or before the 21st of the first month of each distribution year following Year 1, the Company will file with the Commission a status report of the Surcredit. Such report shall include a statement showing the amounts which were expected to be distributed and the amounts actually distributed in previous periods, along with a calculation of the Balancing Adjustment (BA) which will be implemented with customer billings in the second month of that distribution year to reconcile any previous over-or under-distributions.
- (3) The Value Delivery Surcredit shall be applied to the customer's bill following the rates and charges for gas service, but before application of the school tax, the franchise fee, sales tax or similar items.
- (4) The Value Delivery Surcredit shall terminate following completion of the billing month in which the Company files an application for an adjustment of gas base rates pursuant to KRS 278.190 or the Commission enters an order reducing gas base rates pursuant to KRS 278.260 and KRS 278.270.

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By  Executive Director

# Louisville Gas and Electric Company

Original Sheet No. 76  
P.S.C. of Ky. Gas No. 6

## STANDARD RIDER

## ST School Tax

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### APPLICABLE

In all territory served.

### AVAILABILITY OF SERVICE

This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

### RATE


The utility gross receipts license tax imposed by the county but not to exceed 3%.

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**STANDARD RIDER**

**HEA**

**Home Energy Assistance Program**

**APPLICABLE**

In all territory served.

**AVAILABILITY**

To all residential customers.

**RATE**

10¢ per meter per month.

**BILLING**

The HEA charge shall be shown as a separate item on customer bills.

**SERVICE PERIOD**

The Home Energy Assistance charge will be applied to all residential gas bills rendered during the billing cycles commencing October 1, 2004 through September 30, 2007, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

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Louisville, Kentucky

  
Executive Director

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## TERMS AND CONDITIONS

### Customer Bill of Rights

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  - 1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  - 2) Pay one third (1/3) of your outstanding bill (\$200 maximum), and
  - 3) Accept referral to the Human Resources' Weatherization Program, and
  - 4) Agree to a repayment schedule that will cause your bill to become current by October 15.


You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

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**TERMS AND CONDITIONS**

**General**

**COMMISSION RULES AND REGULATIONS**

All gas service supplied by the Company shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky.

**COMPANY TERMS AND CONDITIONS.**

In addition to the rules and regulations of the Commission, all gas service supplied by the Company shall be in accordance with these "Terms and Conditions" which shall constitute a part of all applications and contracts for service.

**RATES, TERMS AND CONDITIONS ON FILE**

A copy of the rate schedules, terms, and conditions under which gas service is supplied is on file with the Public Service Commission of Kentucky. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of the Company where bills may be paid.

**ASSIGNMENT**

No order for service, agreement or contract for service may be assigned or transferred without the written consent of the Company.

**RENEWAL OF CONTRACT**

If, upon the expiration of any service contract for a specified term, the customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one year each, subject to termination at the end of any year upon 30 days prior written notice by either party.

**AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY.**

No agent has power to amend, modify, alter, or waive any of these TERMS AND CONDITIONS, or to bind the Company by making any promises or representations not contained herein.

**SUPERSEDE PREVIOUS TERMS AND CONDITIONS**


These TERMS AND CONDITIONS supersede all terms and conditions under which the Company has previously supplied gas service

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered

  
Michael S. Beer, Vice President  
Louisville, Kentucky

  
By \_\_\_\_\_  
Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**  
**Customer Responsibilities**

**APPLICATION FOR SERVICE**

A written application or contract, properly executed, may be required before the Company is obligated to render gas service. The Company shall have the right to reject for valid reasons any such application or contract.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using gas service is clearly outside the scope of Company's standard rate schedules, Company may establish special terms and require special contracts giving effect to such unusual circumstances.

**TRANSFER OF APPLICATION**

Applications for gas service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify the Company when discontinuance of service is desired, and shall pay for all gas service furnished until such notice has been given and final meter readings made by the Company.

**OPTIONAL RATES**

If two or more rate schedules are available for the same class of service,, it is the customer's responsibility to determine the options available and to designate the schedule under which he desires to receive service.

The Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, the customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which the Customer is currently served, after trial of the schedule originally designated; however, after the first such change, the Company shall not be required to make a change in schedule more often than once in twelve months.

From time to time, the Customer should investigate his operating conditions to determine a desirable change from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.

In no event will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

**CUSTOMER'S EQUIPMENT AND INSTALLATION.**


The customer shall furnish, install, and maintain at his expense the necessary Customer's Service Line extending from Company's Service Connection at the property line to the building or place of utilization of the gas.

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**TERMS AND CONDITIONS**  
**Customer Responsibilities**

All piping, appliances, and other gas equipment and apparatus, except the meter and regulator, located on and within the customer's premises beyond point of connection with the Company's Service Commission at the property line shall be furnished and installed by and at the expense of the customer, and shall be maintained by the customer in good and safe condition. The Company assumes no responsibility whatsoever for the condition of the customer's piping, apparatus or appliances, nor for the maintenance or renewal of any portion thereof.

**OWNER'S CONSENT TO OCCUPY**

The Customer shall grant easements and rights-of-way on and across Customer's property at no cost to the Company.

**ACCESS TO PREMISES AND EQUIPMENT**

The Company shall have the right of access to the customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of gas service or for the purpose of turning on and shutting off the gas supply when necessary and for all other proper purposes. The customer shall not construct or permit the construction of any structure or device which will restrict the access of the Company to its equipment for any of the above purposes.

**PROTECTION OF COMPANY'S PROPERTY**

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of the Company installed on the Customer's premises, and will be held liable for same according to law. The Customer hereby agrees that no one except the employees of the Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of the Company. Upon the absence of an active account, the property owner assumes the responsibility for any consumption and the Company's property and service.

**EXCLUSIVE SERVICE ON INSTALLATION CONNECTED**

Gas service shall not be used for purposes other than as set forth in customer's application or contract.

**LIABILITY**


The Customer assumes all responsibility for the gas service upon the Customer's premises at and from the point of delivery of gas and for the pipes and equipment used in connection therewith, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the Customer's premises or at and from the point of delivery of gas, occasioned by such gas or said pipes and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of the Company.

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**TERMS AND CONDITIONS**  
**Customer Responsibilities**

**NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD**

The service pipes, meters, and appurtenances supplied by the Company for the rendition of gas service to its customers have a definite capacity. In the event that the customer contemplates any material increase in his connected load, whether in a single increment or over an extended period, he shall immediately give the Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice the customer may be held liable for any damage done to meters, regulators, or other equipment of the Company caused by such material increase in the customer's connected load.

**PERMITS**

The customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give the Company or its agents access to the customer's premises and equipment and to enable its service to be connected therewith. In case the customer is not the owner of the premises or of intervening property between the premises and the Company's distribution mains, the customer shall obtain from the proper owner or owners the necessary consent to the installation and maintenance in said premises and across such intervening property of the customer's piping and facilities required for the supply of gas service to the customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, the Company shall obtain the aforementioned consent.

The Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under the customer's application until a reasonable time after such permits are granted.

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**TERMS AND CONDITIONS**

**Company Responsibilities**

**METERING**

The gas used will be measured by a meter or meters to be furnished and installed by the Company at its expense and all bills will be calculated upon the registration of said meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by the Company.

**POINT OF DELIVERY OF GAS**

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from the pipes of Company's Service Connection into the customer's Service Line, irrespective of the location of the metering and regulating equipment.

**COMPANY'S EQUIPMENT AND INSTALLATION**

The Company will furnish, install, and maintain at its expense the necessary Service Connection extending from its main to the customer's nearest property line, the location of which Service Connection shall be at the discretion of the Company.

The Company will furnish, install, and maintain at its expense the necessary meter, regulator, and connections appurtenant thereto, which shall be located in accordance with the discretion and judgment of the Company. A suitable site or location for such meter and regulation, together with an adequate protective enclosure for the same, if required, shall be provided by the customer. Title to the meter, regulator, and connections shall remain in the Company, with the right to install, operate, maintain and remove same. The customer shall protect such property of the Company from loss or damage, and no one who is not an agent of the Company shall be permitted to remove, damage or tamper with the same. The customer shall execute such reasonable form of easement agreement as may be required by Company.

Notwithstanding the provisions of 807 KAR 5:006, Section 13(4), a reasonable time shall be allowed subsequent to customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish the Company with realistic estimates of prospective gas requirements.

**COMPANY NOT LIABLE FOR INTERRUPTIONS**

The Company will exercise reasonable care and diligence in an endeavor to supply gas service continuously and without interruption, except as provided in the terms of certain rate schedules; however, the Company does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of gas service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of the Company.

**COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES**


The Company is merely a supplier of gas service delivered at the Company's property line, and shall not be liable for and shall be protected and held harmless for any injury or damage to

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**TERMS AND CONDITIONS**  
**Company Responsibilities**

persons or property of the Customer or of third persons resulting from the presence, use or abuse of gas on the Customer's premises or resulting from defects in or accidents to any of Customer's piping, equipment, apparatus or appliances, or resulting from any cause whatsoever other than the negligence of the Company.

**LIABILITY**


In no event shall the Company have any liability to the Customer or any other party affected by the gas service to the Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to the Customer or any other party. In the event that the Customer's use of the Company's service causes damage to the Company's property or injuries to persons, the Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold the Company harmless from any and all suits, claims, losses, and expenses associated therewith.

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**TERMS AND CONDITIONS**

**Character of Service**

**HEATING VALUE**

The gas to be supplied by Company shall be natural gas with a heating value of not less than 1,000 Btu per cubic foot; provided, however, that in the case of a supply emergency, Company reserves the right to supplement its supply of natural gas with a mixture of vaporized liquified petroleum gas and air, in which case the heating value of the gas mixture supplied shall not be less than 1,000 Btu per cubic foot.

**STANDARD PRESSURE AND MEASUREMENT BASE**

The standard distribution pressure of the gas supplied by Company is four ounces per square inch above atmospheric pressure.

Atmospheric pressure shall be assumed in all cases to be 14.5 pounds per square inch and temperature shall be assumed to be 60 degrees Fahrenheit; provided, however, the Company reserves the right for billing purposes to correct as necessary the actual temperature to a 60 degree Fahrenheit basis in the case of large volume customers.

All gas measured at pressures higher than the standard pressure shall be converted to a pressure base of 14.73 pounds per square inch absolute for billing purposes.

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## TERMS AND CONDITIONS

### Billing

#### METER READINGS AND BILLS

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 6.

All bills will be based upon meter readings made in accordance with the Company's meter reading schedule. The Company, except if prevented by reasons beyond its control, shall read customers meters at least quarterly, except that customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty days.

When Company is unable to read customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's electric or gas meter fails to register properly by reason of damage, accident, etc., the Company shall have the right to estimate the customer's consumption during the period of failure on the basis of such factors as the customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Where the Company serves a customer with both electric and gas service at the same service location, the Company will render a combined bill. Provided, however, a residential customer may request, and the Company will render, separate bills under the following conditions: (1) the customer is being threatened with disconnection for non-payment or has already been disconnected for that reason and (2) the customer would be able to pay either the gas or electric portion of his bill and thus retain one service.

Bills are due and payable in their net amount at the office of the Company during business hours, or at other locations designated by the Company, within 15 days from date of rendition thereof. In the event a bill is not paid on or before the final day of this 15 day net payment period, the gross bill including forfeited discount or delayed payment charge shall become due and payable at the office of the Company.

Failure to receive a bill does not exempt a customer from these provisions of the Company's Terms and Conditions.

#### READING OF SEPARATE METERS NOT COMBINED


For billing purposes, each meter upon the customer's premises will be considered separately and readings of two or more meters will not be combined except where the Company's operating convenience requires the installation of two or more meters upon the customer's premises instead of one meter.

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**TERMS AND CONDITIONS**

**Billing**

**MONITORING OF CUSTOMER USAGE**

In order to detect unusual deviations in individual customer consumption, the Company will monitor the usage of each customer at least once annually. Should an unusual deviation in the customer's consumption be found which cannot be attributed to a readily identified cause, the Company will perform a detailed analysis of the customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of the customer's meter reading and billing records, the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the customer's service line. Where the deviation is not otherwise explained, the Company will test the customer's meter to determine whether it shows an average error greater than 2 percent fast or slow. The Company will notify the customers of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 10(4) and (5). In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing processes or customer inquiry.

**RESALE OF GAS**


Gas service furnished under the Company's standard application or contract is for the use of the customer only, and no customer shall resell such gas to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If gas is resold in accordance with such written consent of Company, the gas may be resold only under one of the following two procedures: (1) the bill for natural gas service shall be divided by the total volume delivered to the customer during the month by LG&E and the resulting cost per unit of volume shall be applied to the volume of gas used by each end-user; or (2) such gas shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service.

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## TERMS AND CONDITIONS

### Deposits

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed 12 months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

### DEPOSIT AMOUNT

Residential gas customers will pay a deposit in the amount of \$120.00, which is calculated in accordance with 807 KAR5:006 Section 7(1)(b). For combination gas and electric customers, the total deposit will be \$240.00.

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**TERMS AND CONDITIONS**

**Deposits**

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12 of the customer's actual or estimated annual bill where bills are rendered monthly.


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**TERMS AND CONDITIONS  
Budget Payment Plan**

The Company's Budget Payment Plan is available to residential customers and to small commercial customers served under Rates CGS. Small business customers must have a minimum of three months of usage history and a zero balance owed on their account(s) to be eligible for the Budget Payment Plan. Small business customers with combined gas and electric services must be served exclusively under General Service Rate GS for their electric service. Under this plan, a customer may elect to pay, each month, a budgeted amount in lieu of billings for actual usage. A customer may enroll in the plan at any time.

The budgeted amount will be determined by the Company, and will be based on one-twelfth of the customer's usage for either an actual or estimated twelve months. The budgeted amount will be subject to review and adjustment by the Company at any time during the customer's budget year. If actual usage indicates the customer's account will not be current with the final payment in the customer's budget year, the customer will be required to pay their Budget Payment Plan account to \$0 prior to the beginning of the customer's next budget year.

If a customer fails to pay bills as agreed under the Budget Payment Plan, the Company reserves the right to remove the customer from the plan, restore the customer to regular billing and require immediate payment of any deficiency. A customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the Plan for twelve (12) months.

Failure to receive a bill in no way exempts a customer from the provisions of these terms and conditions.

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**Original Sheet No. 88**  
**P.S.C. of Ky. Gas No. 6**

## TERMS AND CONDITIONS

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### Bill Format



Customer Service: (502) 589-1444 Mon-Fri 7AM-7PM  
Walk-In Center Hours: Mon-Fri 8AM-5PM  
[www.lgeenergy.com](http://www.lgeenergy.com)

DATE DUE	AMOUNT DUE
07/22/04	\$67.47

**Conserve paper – Go Electronic! Did you know we can send your utility bill by e-mail? Switching to e-bill is easy when you visit our website: [www.lgeenergy.com](http://www.lgeenergy.com).**

## ACCOUNT INFORMATION

**Account Number:** 5000-0367-1700-1 9  
**Account Name:** JOHN DOE  
**Service Address:** 1234 ANYWHERE ST  
**Next Read Date:** 08/03/04

## BILLING SUMMARY

Previous Balance		64.93
Payments as of 07/06		(68.34)
Balance as of 07/06		(3.41)
Electric Charges	54.95	
Gas Charges	15.93	
Utility Charges as of 07/06		70.88
<b>Total Amount Due</b>		<b>67.47</b>

Averages for Billing Period	This Year	Last Year
Average Temperature	78 °	75 °
Number of Days Billed	29	29
Electric/kwh per Day	28.0	29.3
Gas/ccf per Day	0.3	0.3

## ELECTRIC CHARGES

Rate Type: ELECTRIC RESIDENTIAL

Customer Charge	3.51
Energy Charge	50.05
<b>Other Charges For Above Rates</b>	
Electric Fuel Adjustment $(\$0.0051 \times 812 \text{ kwh})$	0.41
Electric Residential DSM $(\$0.0088 \times 812 \text{ kwh})$	0.71
Environmental Surcharge $(2.270\% \times \$54.68)$	1.24
Merger Surcredit $(3.129\% \text{ CR} \times \$55.92)$	-1.75
Earnings Sharing Adjustment $(2.360\% \times \$54.17)$	1.28
Value Delivery Surcredit $(0.900\% \text{ CR} \times \$55.45)$	-0.50
<b>Total Electric Charges</b>	<b>\$54.96</b>

### Meter Reading Information

Meter # 406270	
Actual Reading on 07/02	63494
Previous Reading on 06/03	62682
<b>Current kwh Usage</b>	<b>812</b>
Meter Multiplier	1
<b>Metered kwh Usage</b>	<b>812</b>

Please see reverse side for additional charges

**Please bring entire bill when paying in person.**

**Customer Service (502) 589-1444**

**PLEASE RETURN THIS PORTION WITH YOUR PAYMENT**

Account Number	Payroll Due Date	Amount Due By Due Date	Amount Due After Due Date	Winter Help Donation	Amount Expended
5000-0367-1700-1 9	07/22/04	\$67.47	\$71.02	\$	\$

**Home Phone # (502) 935-0138**

☐ Check here if plan(s) requested on back of stub.

OFFICE USE ONLY: MB  
C02, R0068, G999999  
P64.93



PO BOX 35590  
LOUISVILLE, KY 40232-5590

#BWNGGLS  
#5000036717001 0 54

**JOHN DOE**  
**1234 ANYWHERE ST**  
**LOUISVILLE, KY 40272-3124**

PRINTED ON RECYCLED PAPER


Service Address: 1234 ANYWHERE ST

0150000367170019000000000710200000000674700000000000010

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**TERMS AND CONDITIONS**  
**Bill Format**

Account Number: 5000-0367-1700-1 9 Page 2

GAS CHARGES			
<b>Rate Type: GAS RESIDENTIAL</b>			
Customer Charge	7.11	<b>Meter Reading Information</b>	
Gas Distribution Charge	1.36	Meter #	520829
Gas Supply Component (\$.74885 x 10 ccf)	7.49	Actual Reading on 07/02	2408
<b>Other Charges For Above Rates</b>		Previous Reading on 06/03	2398
Gas Residential DSM (\$.00324 x 10 ccf)	0.03	<b>Current ccf Usage</b>	10
Value Delivery Surcredit (0.380% CRx \$15.99)	-0.06	Meter Multiplier	1
<b>Total Gas Charges</b>	<b>\$15.93</b>	<b>Metered ccf Usage</b>	<b>10</b>

BILLING INFORMATION	
Late Charge to be Assessed After Due Date	\$3.55
<b>Environmental Surcharge:</b> A monthly charge or credit passed on to customers to pay for the cost of pollution-control equipment needed to meet government-mandated air emission reduction requirements.	

IMPORTANT INFORMATION	
To request a copy of your rate schedule, please call 1-502-589-1444, and press 1-1-3-2-4-2.	
Save time, money and checks! Join our Automatic Bank Club (ABC) now by checking the box on the back of your bill-payment stub. You still receive bills to let you know your usage information and how much money will be deducted from your bank account on your payment due date.	

New enrollment only - Please check box(es) below and on front of stub.

- ☐ Budget Plan  
☐ Automatic Bank Club (voided check must be provided)

**Please deduct my Automatic Bank Club payment from my Checking Account.**

*I hereby authorize LG&E to debit my bank account for payment of my monthly energy bill. This authorization will remain in effect until revoked by me or LG&E.*

Signature \_\_\_\_\_

Date \_\_\_\_\_

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY**  
**EFFECTIVE**  
**7/1/2004**  
**PURSUANT TO 807 KAR 5:011**  
**SECTION 9 (1)**

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered  
and After  
y 1, 2004

*Michael S. Beer*  
Michael S. Beer, Vice President  
Louisville, Kentucky

*[Signature]*  
Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004



## TERMS AND CONDITIONS Discontinuance of Service

In accordance with and subject to the rules and regulations of the Public Service Commission of Kentucky, the Company shall have the right to refuse, or to discontinue to serve, an applicant or customer under the following conditions:

- A. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days written notice of such intention, mailed to his last known address.
- B. When a dangerous condition is found to exist on the customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify the customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.
- C. When a customer or applicant refuses or neglects to provide reasonable access and/or easements to and on his premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given 15 days written notice of Company's intention to discontinue or refuse service.
- D. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.
- E. When customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.
- F. When directed to do so by governmental authority.
- G. Service will not be supplied or continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred and will be subject to the Company's collection and disconnection procedures. Final Bills may be transferred regardless of whether they are for combination gas and electric or gas only or electric only charges. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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7/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

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Issued By

Date Effective: With Service Rendered  
and After  
1, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**  
**Discontinuance of Service**

- H. For non-payment of bills. The Company shall have the right to discontinue service for non-payment of bills after the customer has been given at least ten days written notice separate from his original bill. Cut-off may be effected not less than 27 days after the mailing date of original bills unless, prior to discontinuance, a residential customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than 30 days from the original date of discontinuance. The Company shall notify the customer, in writing, of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.
- I. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. Within twenty-four (24) hours after such termination, the Company shall send written notification to the customer of the reasons for such discontinuance of service and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission of Kentucky. The Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service. The Company shall not be required to restore service until the customer has complied with all rules of the Company and regulations of the Commission and the Company has been reimbursed for the estimated amount of the service rendered and the cost to the Company incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, the Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to the Company.

The Company may defer written notice based on the customer's payment history provided the Company continues to provide the required ten days written notice prior to discontinuance of service.

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*John R. McCall*  
By *[Signature]*

Date of Issue: April 11, 2006  
Canceling Original Sheet No. 89  
Issued July 20, 2004

Issued By

*[Signature]*

John R. McCall, Executive Vice President,  
General Counsel, and Corporate Secretary  
Louisville, Kentucky

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
5/11/2006  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

Date Effective: May 11, 2006

By *[Signature]*

Executive Director

## TERMS AND CONDITIONS Gas Main Extension Rules

1. The Company will extend its gas mains at its own expense for a distance of one hundred feet to each bona-fide applicant for year-round gas service who agrees in writing to take service within one year after the extension is completed by connecting a major gas-consuming appliance (i.e., furnace, water heater, yard light, pool heater) and who has a suitable Customer's Service Line installed and ready for connection.
2. The Company will extend its gas mains in excess of the above distance provided the applicant for service advances to the Company an amount equal to the estimated cost of such excess portion of the extension. The Company shall have the right to determine the length of the extension and to specify the pipe size and location of the extension, as well as the timing of its construction.
3. Where funds were advanced in accordance with paragraph 2 for extensions into developed residential neighborhoods and notwithstanding paragraph 1, any customer that subsequently connects to the main during a 10 year period from the effective date of the main extension contract shall advance to the Company a pro rata share of the cost of the extension over 100 feet per connected customer.
4. For each new year-round customer connected to an extension in accordance with paragraph 3, the Company will refund to the previous applicant(s) who advanced funds an amount equal to the difference between the refundable amount advanced and the amount of the advance so determined for the new applicant.
5. The Company will extend its gas mains to serve a proposed real estate subdivision provided the applicant for such extension advances to the Company an amount equal to the estimated cost of the total extension. The Company shall have the right to determine the length of the extension and to specify the pipe size and the location of the extension, as well as the timing of its construction.
6. For each new year-round customer actually connected to the extension within a ten-year period following the effective date of the gas main extension contract, but not to extensions or laterals therefrom, the Company will refund to applicant(s) who advanced funds in accordance with paragraph 5 above an amount equal to 100 times the average unit cost per foot of extension advanced by such applicant(s); provided that such refunds shall not exceed, in the aggregate, the amount originally advanced to the Company.
7. The Company will install at its own expense a service pipe of suitable capacity extending from its gas main to the customer's property line beyond which point all necessary piping shall be installed by and at the expense of the customer and in a manner acceptable to the Company.
8. The Company will install at its own expense the necessary meter together with the regulator required to convert from medium pressure to service pressure. When a high pressure gas line is tapped to serve a customer or group of customers, the Company may charge the customer or customers for the estimated installed cost of the additional high pressure regulator.
9. In the event the Company is required to make a further extension of its mains to serve a customer, Company reserves the right to tap any extension constructed under these rules and to make connections from such additional extensions without application of the refunds referred to in paragraph 4 or 6 above.

PUBLIC SERVICE COMMISSION  
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EFFECTIVE  
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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: With Service Rendered  
and After  
1, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**  
**Gas Main Extension Rules**

10. The title to all extensions herein provided for, together with all necessary rights-of-way, permits and easements, shall be and remain in the Company.
11. The Company shall not be obligated to make service connections or to extend its gas mains in cases where such extensions or connections, in the sole judgment of Company would be infeasible, impractical, or contrary to good operating practice, or where such extensions are not in accordance with the terms of the applicable rate schedule.

PUBLIC SERVICE COMMISSION  
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EFFECTIVE  
7/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

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Issued By

Date Effective: With Service Rendered  
and After  
1, 2004

  
Michael S. Beer, Vice President  
Louisville, Kentucky

  
Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

## TERMS AND CONDITIONS Gas Service Restrictions

By Order dated September 5, 1973, in Case Nos. 5829 and 5839, the Public Service Commission of Kentucky authorized the Company to incorporate in its gas tariff restrictions on the supply of gas service, occasioned by the inadequacy of gas supplies to meet customer demands. These restrictions have been modified from time to time by tariff filings authorized or approved by the Commission. Uncertainty as to future gas supply makes it necessary that Company continue to exercise control over the addition of gas loads to its system, as set forth in these rules.

1. **GENERAL.** Except as specifically provided in these rules, the Company will not (a) initiate service to any new customer, location, or service point; (b) permit any commercial customer (including any governmental agency or institution) or any industrial customer to increase its connected load or to expand its gas requirements in any manner; or (c) permit any customer to change to another rate schedule for the purpose of obtaining a higher priority under the Company's Tariff.
2. **NEW CUSTOMERS.** Until further notice, Company will accept applications for gas service to new customers as set forth below. Main extensions will be made in accordance with the Gas Main Extension Rules contained in this Tariff.
  - (a) **FOR SERVICE UNDER RATES RGS, CGS and IGS.** Single family dwelling units individually metered. Commercial and industrial customers and multi-family residences served through a single meter. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
  - (b) **FOR SERVICE UNDER OTHER RATE SCHEDULES.** Company may undertake to serve new customers with requirements in excess of those allowable under Rates RGS, CGS and IGS when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied.
3. **Increase in Service to Existing Customers.** Until further notice, the Company will, upon application, permit increases in the connected gas load or the gas usage of commercial and industrial customers existing as of the effective date of these rules, as follows:
  - (a) **ADDITIONAL SERVICE UNDER RATES RGS, CGS and IGS.** The Company will permit the addition of connected gas loads under Rates RGS, CGS and IGS. Company will have the right to limit the total connected load to a maximum of 8,000 cubic feet per hour, when in Company's judgment such is necessary in order to enable it to continue to supply reliable service to existing customers.
  - (b) **ADDITIONAL SERVICE UNDER OTHER RATE SCHEDULES.** Company may undertake to serve existing customers with additional requirements in excess of those allowable under Rates RGS, CGS and IGS when in its judgment actual and potential gas supplies are sufficient to enable it to do so. Company will designate the applicable rate schedule under which such service will be supplied.
4. **LOAD ADDITIONS TO BE AGGREGATED.** Limitations on new or additional gas loads as specified herein refer to the aggregate of loads added subsequent to the effective date of these rules, and not to individual increments made from time to time.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
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SECTION 9 (1)

Date of Issue: July 20, 2004

Issued By

Date Effective: June 26, 1987  
July 20, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**  
**Gas Service Restrictions**

5. **VOLUMES OF GAS USAGE.** Daily and monthly volumes of gas usage may be established or increased to reflect additions of connected load or increased usage of connected load existing as of the effective date of these rules. For customers subject to curtailment under Company's Curtailment Rules, Monthly Base Period Volumes will be established or adjusted accordingly.
6. **TRANSFERS BETWEEN LOCATIONS.** Company may permit any customer to transfer his own gas entitlement from one location to another; provided, however, that transfers of service cannot be aggregated so as to exceed the limitations on connected load set forth in Paragraphs 2 and 3 above with respect to Rates RGS, CGS, and IGS.
7. **PRIORITY CONSIDERATIONS.** If at any time, the Company is required to select among applicants for service as provided for in Paragraphs 2(b) or 3(b) above, it will, to the extent practicable, observe the following priorities in the order named:
- (a) Schools, hospitals and similar institutions.
  - (b) Other commercial establishments.
  - (c) Industrial process and feedstock uses.
  - (d) Other industrial applications.
8. **LAPSE OF APPLICATIONS.** If any applicant for new or increased service under these rules is not ready to take such service within 12 months from the date of application, such application shall be void. Any reapplication shall be subject to the Company's rules in effect at the time thereof.
9. Applicants may make application for gas service beyond that provided for in these rules, to be initiated at such time as these rules may be terminated or modified so as to enable the Company to provide the service applied for. Company will file such applications in the order of receipt and dispose of them as circumstances dictate.

Date of Issue: July 20, 2004

Issued By

Date Effective: November 11, 1987  
July 20, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
7/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)



## TERMS AND CONDITIONS

### Curtailment Rules

These rules are established to govern LG&E's available supply of gas to sales and transportation customers during periods of shortage or substantial reduction in the gas availability from LG&E's suppliers. These rules are designed to provide for curtailment or discontinuance of service made necessary by a deficiency in gas supply, capacity or unforeseen emergency circumstances. Implementation of these Rules will enable LG&E to continue to supply reliable gas service for residential and other human welfare purposes. These rules shall apply and continue in effect until lawfully modified or superseded under the regulatory jurisdiction of the Public Service Commission of Kentucky.

#### 1. DEFINITIONS (for Purposes of these Rules).

**COMMERCIAL CUSTOMERS:** Customers engaged primarily in the sale of goods or services, including institutions and local, state and Federal governmental agencies, for uses other than those involving manufacturing.

**INDUSTRIAL CUSTOMERS:** Customers engaged primarily in a process or processes which create or change raw or unfinished materials into another form or product. For the sole purpose of the application of these rules, customers served under Rate IGS whose gas service is primarily used in the production or processing of foods or food for human consumption shall be considered commercial customers.

**SMALL INDUSTRIAL CUSTOMER:** Any industrial customer whose aggregate of twelve Monthly Base Period Volumes is 10,000 Mcf or less.

**LARGE INDUSTRIAL CUSTOMER:** Any industrial customer whose aggregate of twelve Monthly Base Period Volumes exceeds 10,000 Mcf.

**SUMMER SEASON:** The seven consecutive monthly customer billing periods of April through October.

**WINTER SEASON:** The five consecutive monthly customer billing periods of November of one year through March of the following year.

**PILOT LIGHT REQUIREMENTS:** Gas used on either a continuous or intermittent basis only for the ignition of the fuel in the main burner; does not include any gas used to preheat or atomize solid or liquid fuels.

**NON-DOMESTIC USAGE:** Usage for boiler fuel and other applications where alternate fuel facilities are installed or capable of being installed.

**BASE PERIOD:** The 12 months ending with the calendar year prior to the implementation of any curtailments hereunder.

**MONTHLY BASE PERIOD VOLUMES:** Monthly volumes assigned to each customer determined from its gas consumption during the Base Period, adjusted to normal temperatures, for force majeure conditions, and to annualize consumption in cases where service was initiated or the connected load increased in keeping with LG&E's rules applicable during the Base Period.

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Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**

**Curtailment Rules**

**AUTHORIZED MONTHLY VOLUME:** The volume of gas authorized to be taken during a month and determined by deducting from the Monthly Base Period Volume the curtailment applicable for the month.

Some Customers may have usage falling within more than one of the above categories; as such, these customers may be required to segregate their total usage accordingly.

2. **PRO-RATA CURTAILMENT.** In order to meet seasonal and daily sendout requirements, to preserve underground storage deliverability, and to provide for adequate and timely underground storage injections, LG&E will implement pro-rata curtailment with respect to the classes of customers here listed:

- (a) Large Industrial Customers served under Rate IGS and Rider RBS.
- (b) All customers served under Rate AAGS.

LG&E will assign Monthly Base Period Volumes to each customer in the above classes. Not less than two weeks prior to the beginning of any billing period, except in the case of an emergency, LG&E will notify in writing each customer in the classes named above of the percentage curtailment from such customer's Monthly Base Period Volume to be in effect in said billing period, stating the Authorized Monthly Volume such customer is authorized to take during said billing period.

During each month of the Winter Season curtailment will be first applied to Rate AAGS customers until such curtailment reaches 100% of Base Period Volumes (allowing, however, for continuation of Pilot Light Requirements in connection with alternate fuels). When the required curtailment level exceeds 100% as applied to Rate AAGS customers, the additional curtailment required will be apportioned at a uniform percentage to other customers subject to pro-rata curtailment under this Section 2. Provided, however, during any month of the Winter Season when Rate AAGS customers are being furnished all or a part of their Base Period Volumes, such service may be completely interrupted when and to the extent that LG&E deems such interruption necessary to preserve storage deliverability or to otherwise meet seasonal or daily sendout requirements.

During each month of the Summer Season the percentage of curtailment shall be uniform for all classes to which it applies.

Provided, however, in the case of Large Industrial Customers served under Rate IGS, Authorized Monthly Volumes shall be established so as to aggregate not less than 10,000 Mcf for a twelve-month period.

3. **COMBINATION OF AUTHORIZED MONTHLY VOLUMES.** Subject to a written application by a customer and acceptance thereof by LG&E, LG&E will permit any customer served through more than one point of delivery at any location, or any person, corporation or entity served with gas at more than one location, to take gas through the points or at the locations of its choosing, provided that the gas so taken will not exceed the combined Authorized Monthly Volumes applicable to such points of delivery, and provided that only volumes purchased under rate schedules subject to pro-rata curtailment may be so combined. Gas taken through each individual point of delivery will be billed at the rate applicable to such point of delivery.

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Revised July 20, 2004

Michael S. Beer, Vice President  
Louisville, Kentucky

Executive Director

Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004

**TERMS AND CONDITIONS**

**Curtailment Rules**

If the Application referred to in the above paragraph is denied by LG&E, then the Applicant may apply to the Public Service Commission for a review of LG&E's decision.

The right to effect combinations of Authorized Monthly Volumes as here described is limited to individual customers or individual persons, corporations or entities and such right will not extend to similar combinations between or among unrelated customers. Nor shall such combinations be employed by any customer for the purpose of obtaining a lower overall cost of gas.

For the purpose of assessment of penalties, the point of delivery will be considered on a combined basis, so that the actual combined take will be measured against combined Authorized Monthly Volumes. It will be the responsibility of any applicant for this treatment to advise LG&E in writing as to the party or entity to be held accountable for the payment of such penalty.

4. **PENALTY CHARGES.** Any customer subject to interruption in accordance with Paragraph 2 above who uses any quantity of gas (in excess of Pilot Light Requirements where applicable) during a period of interruption shall be subject to a penalty charge applicable to such unauthorized take at the rate of \$10.00 per Mcf, such penalty to be in addition to the established rate for service.

Any customer subject to curtailment in accordance with Paragraph 3 above who at the end of a Summer Season or a Winter Season has taken gas in excess of 102% of the aggregate of its Authorized Monthly Volumes within such season shall be subject to a penalty charge applicable to such excess take at the rate of \$20.00 per Mcf, such penalty to be in addition to the established rate for service.

The payment of penalty charges for take in excess of authorized volumes shall not be considered as giving any customer the right to take unauthorized volumes of gas, nor shall such penalty charges be considered as a substitute for any other remedy available to LG&E.

5. **EMERGENCY CURTAILMENT.** In the event of an emergency, LG&E will initiate the following actions in order that service may continue to be supplied for residential and other human health, safety and welfare needs.

(1) Issue Operational Flow Orders to customers served under Rate FT and Rider RBS, and take similar actions applicable to customers served under Special Contracts. Customers that fail to comply with Operational Flow Orders will be required to discontinue the use of natural gas.

(2) Discontinue service to customers served under Rate AAGS.

(3) Implement pro-rata curtailment to Large Industrial Rate IGS and Rider RBS customers. These customers would be required to reduce their usage down to a specified percentage of Base Period Volumes.

(4) Once curtailment in level 3 (above) is 0% of Base Period Volumes, implement pro-rata curtailment to the remainder of Industrial and non-human needs commercial use customers. These customers would be required to reduce their usage down to a specified percentage of Base Period Volumes.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE**

**7/1/2004**

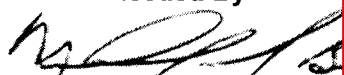
**PURSUANT TO 807 KAR 5:011**

**SECTION 9 (1)**

**Date of Issue: July 20, 2004**

**Issued By**

**Date Effective: September 27, 2000  
July 20, 2004**

  
**Michael S. Beer, Vice President  
Louisville, Kentucky**

  
**Executive Director**

**Issued By Authority of an Order of the K.P.S.C. in Case No. 2003-00433 dated June 30, 2004**

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**TERMS AND CONDITIONS**

**Curtailment Rules**

- (5) Once customers in level 4 (above) have reduced their usage to 0% of Base Period Volumes, request reduction of gas usage by commercial, residential, and human needs customers.
  - (6) Implement procedures for interruption of selected electrical distribution circuits on a rotational basis.
6. **DISCONTINUANCE OF SERVICE:** If any customer subject to interruption or curtailment under these rules fails to limit its use of gas as provided for herein, then LG&E shall have the right, after reasonable notice, to immediately and permanently discontinue all gas supply to such customer.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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July 20, 2004

  
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Louisville, Kentucky

  
Executive Director

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